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Agenda

APFC ALASKA PERMANENT FUND CORPORATION
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QUARTERLY MEETING OF THE BOARD OF TRUSTEES
December 12-13, 2017

Atwood Building – Room 104
550 West 7th Avenue, Anchorage, AK 99501

Teleconference Access
Call-in toll-free number: **1-844-740-1264**
Access Code (Meeting Number): **807 275 275**

AGENDA

TUESDAY, DECEMBER 12, 2017

8:30 a.m. **CALL TO ORDER**

ROLL CALL (Action)

APPROVAL OF AGENDA (Action)

APPROVAL OF MINUTES (Action)
- September 27-28, 2017

SCHEDULED APPEARANCES AND PUBLIC PARTICIPATION

8:45 a.m. **CHIEF EXECUTIVE OFFICER'S REPORTS (Information/Standard Reports)**
- Pending Board Matters, Trustee Education Report, Disclosures, Travel, Due Diligence Log, Staff Education & Training
- Communications
- Financials
- Cash Flow
- Monthly Performance Report
- Strategic and Tactical Moves
- Investment Management Fee Report
- FY18 Budget Update (Action)

9:00 a.m. **CHIEF INVESTMENT OFFICER REPORT (Information)**
Russell Read, Chief Investment Officer

9:30 a.m.	**RISK AND ASSET ALLOCATION OVERVIEW (Information)** **Valeria Martinez, Director of Risk Management, APFC**
10:30 a.m.	***BREAK***
10:45 a.m.	**PERFORMANCE REVIEW (Information)** **Greg Allen and Steve Center, Callan Associates Inc.**
12:00 p.m.	***BREAK/LUNCH***
	ASSET CLASS UPDATES (Information)
12:30 p.m.	**Infrastructure, Special Income Opportunities & Absolute Return – Marcus Frampton**
12:50 p.m.	**Private Equity & Special Growth Opportunities – Steve Moseley**
1:15 p.m.	**Real Estate – Rose Duran**
1:35 p.m.	**Public Equities – Fawad Razzaque**
2:00 p.m.	**Fixed Income – Jim Parise**
2:15 p.m.	***BREAK***
2.30 p.m.	**ALASKA PERMANENT FUND STRESS TEST** **Brian Lawlor and Phil Dobrin, Bridgewater**
4:00 p.m.	***EXECUTIVE SESSION*** **SIMPSON HOUSING LLLP**
5:30 p.m.	**BOARD RECESS FOR THE DAY**

WEDNESDAY, DECEMBER 13, 2017

8:30 a.m.	**RECONVENE**
8:35 a.m.	**OPPORTUNITIES AND LIMITATIONS FOR INTERNAL MANAGEMENT OF FUND ASSETS (Information)**
.	**Moderator: Russell Read**
	Mark Wiseman, Managing Director, Blackrock and Former CEO, CPPIB **Daniel Adamson, Managing Director, Wafra** **Jim Parise, Director of Fixed Income Investments, APFC**
10:00 a.m.	***BREAK***
10:15 a.m.	***EXECUTIVE SESSION CONTINUED*** **SIMPSON HOUSING LLLP**
11:45 a.m.	**SIMPSON HOUSING LLLP (Action)**
12:15 p.m.	***LUNCH***

12:45pm	**PERSONAL MANAGEMENT PROGRAM UPDATE & COMPENSATION REVIEW (Action)** **Chad Brown, Human Resources Officer, APFC**
1:30 p.m.	***EXECUTIVE SESSION*** **EXECUTIVE DIRECTOR PERFORMANCE EVALUATION**
2:00 p.m.	**EXECUTIVE DIRECTOR PERFORMANCE EVALUATION (Action)**
2:10 p.m.	**OTHER MATTERS** **Angela Rodell, Chief Executive Officer, APFC**
2:15 p.m.	**INVESTMENT ADVISOR COMMENTS (Information)** **George Zinn**
2:30 p.m.	**TRUSTEE COMMENTS** **FUTURE AGENDA ITEMS**
2:45 p.m.	**ADJOURNMENT**

NOTE: TIMES MAY VARY AND THE CHAIR MAY REORDER AGENDA ITEMS
(Please telephone Jacob Vandervest at 907.796.1519 with agenda questions.)

Approval of Minutes Memo

APFC ALASKA PERMANENT FUND CORPORATION
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SUBJECT: Board of Trustees Meeting Minutes ACTION: _____X___

DATE: December 12, 2017 INFORMATION: ___________

BACKGROUND:

Staff reviewed the following Board of Trustees meeting summary minutes, draft copies are attached for your approval.

- September 27-28, 2017 Annual Board of Trustees Meeting

RECOMMENDATION:
Approval of the summary minutes of the Board of Trustees meetings listed above.

a) September 27-28, 2017 Annual BOT Meeting

ALASKA PERMANENT FUND CORPORATION

BOARD OF TRUSTEES MEETING

September 27-28, 2017
8:30 a.m.

Location of Meeting:
Alaska Permanent Fund Corporation
Hugh Malone Board Room
Juneau, Alaska

SUMMARY MINUTES

Trustees Present:	William G. Moran, Chair		
	Carl Brady, Vice Chair		
	Larry Cash		
	Sheldon Fisher		
	Marty Rutherford		
	Andrew Mack		
Investment Advisor:	Jerrold Mitchell		
Staff Present:	Angela Rodell, CEO	Russell Read, CIO	
	Valerie Mertz	Chris Poag	Paulyn Swanson
	Valeria Martinez	Marcus Frampton	Steve Moseley
	Fawad Razzaque	Jim Parise	Jacob Vandervest
	Moctar Diouf	Chris Cummins	Tim Andreyka
	John Seagren	Masha Skuratovskaya	Yup Kim
	Robin Mason	Travis Brown	Katherine Smith
	Youlian Ninkov	Jared Brimberry	Rose Duran
	Matt Olmsted	Laura Achee	Samantha LaPierre

Invited Participants and Others Present:

Gregory Allen, Callan Associates
Steven Center, Callan Associates
Beth Stuart, KPMG
Melissa Beedle, KPMG
Byron Mallott, Lieutenant Governor
Ryan Watts, Denali Therapeutics
Robert Nelsen, Arch Venture Partners
Arif Janmohamed, Lightspeed Venture Partners

PROCEEDINGS

CALL TO ORDER

CHAIR MORAN called the meeting to order.

ROLL CALL

CHAIR MORAN, VICE CHAIR BRADY, TRUSTEES CASH, RUTHERFORD, MACK and FISHER were present to form a quorum.

APPROVAL OF AGENDA

TRUSTEE RUTHERFORD proposed eliminating the executive session planned for 5:00 p.m. that is currently on the agenda; TRUSTEE FISHER seconded. No objections were raised to the meeting agenda, as modified.

APPROVAL OF MINUTES (May 16-17, 2017)

There being no objections raised, the minutes from May 16-17, 2017, were approved as presented.

SCHEDULED APPEARANCES AND PUBLIC PARTICIPATION

There were no scheduled appearances or public participation.

CHIEF EXECUTIVE OFFICER'S REPORTS

CEO RODELL began her report with trustee education, stating that the Alaska Retirement Management Board has resumed scheduling their annual education session in New York, taking place on November 9 and 10 this year. She encouraged the trustees to participate, if they are able. She stated that the Alaska Permanent Fund Corporation has been selected to host, in Juneau, the annual meeting of the International Forum of Sovereign Wealth Funds in September 2019. Next, she pointed out the tactical and strategic changes, along with the cash transfer. The final quarter of fiscal year 2017 had over $2.5 billion of activity, because cash in that quarter started accumulating in anticipation of potentially large transfers to happen on July 1. Those transfers ultimately did not happen, and that cash was deployed into the asset allocation, which explains the activity in late June. She moved to what was called the net-of-fee report, now called the investment management fee report. It still contains the net-of-fee arrangements that are reported at each board meeting, historically. She stated that the fees are funded by appropriation to make it clear how much is being paid out of that allocation and, also, the corporate expenses. She pointed out that the total investment management fee payout for fiscal year 2017 was approximately $270 million, over the $199 million for 2016. She noted that there has been a lot of work getting more information about the fees, and that information is also incorporated as it becomes available.

CHIEF INVESTMENT OFFICER'S REPORT

CIO READ reported that the Alaska Permanent Fund has ended its 2017 fiscal year on a positive note which has continued into the current fiscal year. APFC's one-year return was 12.57 percent; over 2 percent greater than the passive index benchmark of 10.3 percent. He continued that the first three months of this fiscal year investment returns have continued at roughly the

same pace as the past fiscal year. He added that due to the strong investment returns earned during the month of September thus far, the value of the Permanent Fund remains at that same $61.4 billion even after the imminent disbursement of the Permanent Fund Dividend to Alaska's residents. The past year's investment performance has been driven by particularly strong returns on global stock markets. The Permanent Fund's diversified approach to global investing has delivered strong long-term investment performance without being fully susceptible to the short-term gyrations of global stock markets. He then moved forward explaining the prospects for the investment markets and how the APFC is positioned to succeed going forward. He stated that the APFC has been developing its private market investment capabilities to a significant degree over the past several years, focusing both on growth areas, such as private equity, and income areas such as infrastructure, real estate, and private credit. He addressed the continued strong capacity for the Permanent Fund to potentially provide much needed endowment payments to the State of Alaska for operating budget purposes. He then continued that with an all-time high of $13.8 billion in its earnings reserve, three-year investment performance among the top quartile of U.S. public investment plans, and the strongest staff in APFC's long and successful history, the Permanent Fund is nicely positioned to generally meet the percent-of-market-value-related distributions to fund state services for many years to come. The important adjustment that will be recommended at this meeting is reduction of the 5.25 percent-of-market-value maximum recommended payout by 0.5 percent, or 50 basis points, to 4.75 percent of market value, primarily due to the reduction of future investment return expectations across global stock markets. This reduction in the maximum recommended payout from the Permanent Fund has been accompanied by a substantial gain in value over the past few years. He continued that the combination of significantly higher asset values with only slightly lower sustainable payout rates should mean that the Permanent Fund's ability to support future Alaska government expenditures remain strong. In addition to hearing the strategies of each APFC asset class team's plan to achieve best-in-class investment performance, the trustees will be asked to consider and approve: Revised estimates for long-term asset class performance; the reduction of the Permanent Fund's long-term real return investment target to inflation plus 4.50 percent or better; creation of the performance scorecard for evaluating the fund in terms of its investment efficiency, actuarial peer index benchmarks; the establishment of a real asset investment category comprised of real estate, infrastructure, and private credit asset classes; and a modest updating of APFC's investment policies and procedures. Also, the trustees will be asked to approve a selection of a liquidity portfolio manager which has been evaluated and recommended by both internal staff and Callan Associates

CHAIR MORAN moved on to the report of annual audit.

REPORT OF ANNUAL AUDIT

MS. MERTZ began with the review of the results of the FY17 financial audit. She introduced Beth Stuart from KPMG, the engagement partner based in Anchorage, along with Melissa Beedle, the engagement manager based in Juneau. She stated that the governance manual requires that the full board approve the results of the audit before it can be published.

MS. STUART stated that the audit procedures were completed over the course of July and August, and the report was issued on September 8. The audit was conducted in accordance with generally accepted auditing standards, as well as government auditing standards. An unmodified

report on the Alaska Permanent Fund financial statements was issued. She continued that a draft of the annual report was also reviewed for consistency with the financial statements. Included in the packet are the audit results summary. She summarized that the audit was conducted as planned with full cooperation of management throughout the audit process.

CHAIR MORAN stated that there are all these estimates, and we spend all this money on valuations. He asked if they were ever checked to see if they were close to what was expected.

MS. BEEDLE replied, from an audit perspective, as part of the procedures, the annual financial statements are received which are true valuations of these funds, and they are compared to the estimated valuations to test whether that manager is good at estimating the values.

CHAIR MORAN entertained a motion.

> **MOTION:** VICE CHAIR BRADY made a motion to accept the auditor's report as it is. TRUSTEE CASH seconded.
>
> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (BRADY, MACK, FISHER, CASH, RUTHERFORD, MORAN).

CHAIR MORAN moved to the risk and asset allocation overview.

RISK AND ASSET ALLOCATION OVERVIEW

CIO READ introduced the newest investment team member, Samantha LaPierre, who is on the risk and asset allocation team with Valeria Martinez.

MS. MARTINEZ began with an overview of the asset allocation and how the Fund was positioned for the last quarter of the fiscal year. She stated that a year ago the assets were separated into two categories that are defined by objective: those that are held for income, and those that are held for growth. The income portion of the portfolio was 38 percent at the end of June. This income was further divided into illiquid income that included infrastructure, real estate, private credit, and tradeable income that are the public assets that provide income. Growth includes public equities, private equity, hedge funds, which is the bulk of the Fund. She explained that the fund has not changed much from past years; in general, there is a bias towards growths, and that means that most of the risk will come from the risky assets like public equities, private equity, private infrastructure, and private credit. She continued that the hedge funds have redemptions on these assets from the fund-of-funds. She then looked at a few measures of risk. The value of risk is a downside estimate of how much the portfolio could lose within the investment horizon at a given confidence level. She explained that for the overall Fund, this rolls up the overweight in risky assets, especially in public equities; private equity will bring that risk higher than the benchmark and increase tracking error. She then asked Ms. LaPierre to explain the currency and regionalized portion of the report.

MS. LaPIERRE stated that another risk that is taken into consideration is currency, and then geographic risk. In the currency risk, 75 percent of the portfolio is invested in dollar-denominated investments; then, the nondollar investments are broken down into non-U.S.

developed markets and emerging markets. When an allocation is compared to the benchmarks, it shows that the dollar is underweight, and the emerging markets are overweight. She continued that, in looking at geographic risk, a similar trend appears. She adds that about 70 percent of the investments are in the United States; 20 percent in developed markets; and 10 percent in emerging markets. Comparing that to the benchmarks, we are underweight in non-U.S. developed markets and overweight in emerging markets. Opportunities are viewed in emerging markets favorably in the long term.

MS. MARTINEZ moved on to performance. All the benchmarks were outperformed, including the long-term objective of CPI plus 5. For the quarter, only the passive benchmark underperformed; but the performance benchmark on the long-term objective was outperformed. She concluded that the overweights were reduced to cash and were deployed into fixed income and equities.

CHAIR MORAN called for a 15-minute break.

(Break.)

CHAIR MORAN called the meeting back to order and recognized Callan.

PERFORMANCE REVIEW

MR. ALLEN stated that he is now the CEO/president of Callan. The company is employee-owned with about 90 shareholders out of about 190 people. This has been a strong positive for the organization. He asked Mr. Center to continue.

MR. CENTER began with a snapshot of capital market performance over the last quarter. The story over the last year has been a continued equity rally and a recovery of non-U.S. equity. The small-cap equities were the strongest performers, coming in over 24 percent. There was a continued improvement in the European market along with some weakening in the U.S. dollar. He moved to the U.S. equity market and stated that amid a period of global economic turmoil, the U.S. space continues to do fairly well, despite disruptions within the Trump administration and some terrorist attacks that occurred in the U.K. There was a strong performance, more from the growth side than from value, and large-cap outperformed small-cap for the second consecutive quarter. He continued with the individual sectors, and stated that healthcare did extremely well amidst concerns that the Affordable Care Act may get repealed. Laggards were telecommunications, which is dominated by AT&T and Verizon; both were very negative for the quarter. There is a continued turmoil within energy, and the oil price depression continues to weigh heavily on the space and was the driver of value-lagging growth for the quarter.

MR. ALLEN observed that active management generally did better than passive for the quarter in U.S. equity.

MR. CENTER went deeper into sector performance on a capitalization basis and stated that the weakening U.S. dollar helped the performance of non-U.S. equity for the quarter. Emerging markets performed extremely well. He discussed fixed income, and then the areas of the fixed income market. He stated that all areas of the market continued to perform well.

MR. ALLEN shared two interesting observations about private equity: a lot of stocks are choosing to stay private and, at the other end with the buyouts, public equities are being diverted to private equities. With the growth of all the private-equity investing and the benefits that come along with it, having the longer-term perspective and a little more focused management, it has made a huge evolution away from being publicly traded. It is changing the landscape for index fund investors, for active managers, and in the private equity side, as well.

MR. CENTER stated that the last capital market slide touches on the economy and there was some improvement on the unemployment rate during the quarter. However, labor force participation rates hover right around 63 percent. Additionally, wage growth has been pretty stagnant year over year, 2.5 percent, outpacing inflation. As of June 30, the Permanent Fund had a 43-percent allocation to public equities; 19 percent to fixed income and fixed income plus; and 38 percent to alternatives. Compared to the previous quarter, the equity allocation was approximately the same, with a bit of a decrease on alternatives.

MR. ALLEN stated that some of the underperformance in the asset allocation bucket was also because of the big overweight to cash, which was caused by building up cash in anticipation of potentially having to disgorge some on July 1st, which did not end up happening.

MR. CENTER compared the total Fund performance versus both public funds, which are typically retirement funds and endowments and foundations. Over the long-time periods, performance is fairly close to the median. Over the last 20 years, the Permanent Fund has typically had a slightly higher allocation of fixed income than most public funds. He explained that the Sharpe ratio is a measure of excess return, basically return per unit of risk, so it takes the portfolio return less the risk-free rate and divides by volatility.

MR. ALLEN continued that the seven-, five-, and three-year periods do not have any global crises in them. There is more Sharpe ratio available when there is no risk. Over the 20 years there were two global financial crises, and over the ten there is still the tail end of one in there. He added that Sharpe ratios are much higher in shorter time periods, and that reflects a good run with a lot of return per unit of risk for just being in the markets.

MR. CENTER began the asset class performance by looking at the public equity portfolio which has an allocation of approximately 47 percent to U.S. equities and 53 percent to non-U.S. equities. The median allocation to U.S. equity within Callan's public fund database is about 60 percent. Overall, the Permanent Fund is pretty well divided amongst domestic equity strategies, non-U.S. equity strategies, and global equity strategies. The total public equity portfolio beat the benchmark over the last quarter and the last fiscal year. He continued that the U.S. equity portfolio has performed very well on the risk-adjusted basis over the last ten years. The large-cap equity portfolio saw that the only real substantial overweight is on the growth side. The small-cap performance for the Permanent Fund is at or ahead of the small-cap universe median over all time periods except the trailing year. It was a very difficult period for active small-cap managers. The mid-cap stocks have performed quite well. He then moved on to the global strategies. These are equity strategies that invest both in the U.S. and in non-U.S. portfolios. He then went to the distribution of investments within the fixed-income-plus structure. 66 percent of the fixed-income-plus portfolio is managed internally by APFC staff. The fixed-income

portfolio came in at a positive 0.26 percent return over the last 12 months versus negative 0.31 for the benchmark. It puts it above median versus other core bond managers. The investment-grade portfolio versus peer group of other investment-grade strategies and against the Bloomberg corporate benchmark were compared. He added that, overall, performance has done quite well for this portfolio. He continued that this high-yield performance included portfolios managed by Oaktree, Cap Guardian and an EFT that the investment team purchased. The track record has fallen below the benchmark over the last one year, three years, and five years, also below median over all time periods. It does diversify the overall fixed-income portfolio quite well. He continued on to the emerging market debt portfolio, which is a single portfolio managed by Cap Guardian. This is managed against a blended benchmark of 50 percent local currency, 50 percent hard currency EM. It compares quite favorably versus that benchmark. Overall, the EM portfolio has performed in line with its stated benchmark, and does lag the total plan's emerging market benchmark, which is a hard-currency exposure. He touched on the REITs and listed infrastructure and moved on to some of the alternatives. The listed infrastructure has performed extremely well over the last year, and is up 15 percent.

CIO READ noted that the management of both REITs and listed infrastructure was switched to the fixed-income-plus portfolio. There has also been a real improvement in terms of peer performance.

MR. CENTER moved on to the real estate portfolio, which is about 75 percent direct and 25 percent real estate operating companies, including Simpson and Lincoln. The real estate portfolio was down about negative 0.6 percent for the quarter and 4.5 percent over the last fiscal year. He then moved on to the absolute return portfolio with the hedge fund portfolio versus peers over the last, three, five, and ten years. Last year the hedge fund portfolio came in at a positive 7.2 percent, which is a full percent ahead of its benchmark and is extremely positive. Next, the multi-asset class performance which is AQR, Bridgewater, and Goldman Sachs. This was a drag on total Fund performance over the last quarter. He concluded that the total Permanent Fund closed the quarter at just over 60 billion in assets, up about 3 percent for the quarter and 12.6 percent for the fiscal, both very positive.

CHAIR MORAN called for a lunch break.

(Lunch break.)

CHAIR MORAN called the meeting back to order and moved to asset class updates.

ASSET CLASS UPDATES

FIXED INCOME

CIO READ introduced Jim Parise, who leads the fixed-income-plus investment efforts for the Permanent Fund, along with his team.

MR. PARISE stated that everyone on the team that either works on or is responsible for one of the portfolios will talk about them individually for a different aspect. He continued that this current team, a solid core group of people, started managing this portfolio in 2004. He then

talked about the internal fixed-income performance which does not include external managers. All of the portfolios are beating their indices fiscal year to date. He asked Chris Cummins to explain the internal aggregate portfolio.

MR. CUMMINS stated that the idea is to work as a team, share ideas, and use one another as sounding boards, which is very helpful. He added that they have a pretty solid track record. He went over what worked performance wise, and what added to the performance. The positioning was underweight U.S. Treasury versus various spread product. The biggest overweight was the corporate sector with a 3.6 percent overweight relative to the index. During that period, it outperformed comparable Treasury by 110 basis points. Within structured product, it was underweight to MBS, and was rich. Generally, that portfolio is kept in a tight range duration-wise. Also achieved was a solid outperformance over the years through sector rotation and security selection.

MR. PARISE stated that next was Matt Olmstead who would talk about the internal corporate bond portfolio.

MR. OLMSTEAD stated that the internal corporate bond portfolio is managed internally both as a separate corporate bond portfolio and as part of the aggregate portfolio. These two portfolios mirror each other; one is managed as one portfolio and just allocated differently in terms of trading. The duration is kept close to the benchmark; we focus the efforts on credit curve, and credit and curve selection. The performance is ahead about 18 basis points for the quarter. Security selection and spread exposure were the primary contributors to the performance, most recently increasing the exposure to the 20-year part of the corporate credit curve. The thought process was that the Treasury might start issuing 20-year Treasuries again, which would potentially reprice the cheap part of the curve for corporate credit. He continued that corporate bond credit spreads are a little higher than 100 basis points right now. That is approaching levels that would be considered historically tight. For the quarter, the overweight industrials, specifically benefit, and overweight in aerospace, telecom, foods, beverage, pharma. Underweight financials, but that exposure was kept in the long end, which worked out as the financial curves flattened. Exposure to the subordinated debt was recently reduced and is part of the theme of steadily reducing risks as spreads tighten. He added that right now it is overweight communications, consumer, transportation, financials, underweight basic industries, manufactures, retail, energy and utilities.

MR. PARISE introduced Masha Skuratovskaya who independently manages the TIPS and the global rates portfolios.

MS. SKURATOVSKAYA stated the TIPS market had a bit of a rollercoaster over the past 12 months. Following the election, there was quite a run-up in inflation expectations over the course of the second quarter as the disappointing CPI prints compounded by the failure of the healthcare reform and the general lack of enthusiasm for the progress on the presidential agenda. She continued that on the portfolio itself most of the risk exposure does not come from curve or spread; it actually comes from something idiosyncratic, which is basically security selection. She added that after a few years of trying to chase valuations and expectations for inflation, the best Sharpe ratio in this portfolio comes from disciplined relative value trading. She continued that the global bond portfolio outperformed its index for the fiscal year on the one-year basis.

She added that outperformance was driven mainly by allocation to external dollar debt of the sovereigns and over-weights in Malaysia and Singapore. An overweight to Mexico suffered following the results of the election; however, most of those losses were recovered. Cost of effects hedging continues to be a significant drag on the portfolio; and there is anticipation of hedging about 90 percent of those exposures in-house for next year.

PUBLIC EQUITIES

CIO READ stated that next is the public equities group led by Mr. Fawad Razzaque.

MR. RAZZAQUE introduced his team members, Youlian Ninkov and Moctar Diouf. He began his report with the key teams or drivers that drove the public equity market in fiscal year 2017. This is a tale of two very different markets: One started right after the Brexit vote at the end of June through the end of December; and the second half the beginning of January through June 30. He explained how the market expectation bottomed out. He moved to the second half, explaining the optimism that started in July and came to an extreme after the U.S. elections. It was a really strong dollar from November and December, based on the optimism surrounding the Trump policies. The fundamentals followed in the second half. There were two very strong quarters of back-to-back earnings growth and high-quality earnings growth driven by revenue growth. There was margin expansion for the first time in two years. He added that the only thing that linked the two halves of the fiscal year was optimism, which was reflected in the global equity returns. Overall, it was a very solid and positive performance for the year. He stated that two thirds of the active returns in the fiscal year were driven by fund manager performance, and only one third was driven by asset allocation. Internal management had a very modest but positive impact on performance. While the style and size and sector tilts were modestly negative in aggregate, they were positive in the first half, negative in the second half; and then the aggregate for the year were slightly negative. In-house tactical tilt portfolio had a positive impact. He moved on to the managers and explained differences among the managers just on the style spectrum, including managers on the deep end of the value, quality end of the value, core end of the value, and then the growth, quality growth, very aggressive, high beta growth.

CIO READ moved to Rose Duran, who leads the real estate team.

REAL ESTATE

MS. DURAN stated that on June 30 the real estate portfolio was invested at roughly $5.6 billion or 9.3 percent of the total fund. This is under the allocation of 11 percent.

VICE CHAIR BRADY asked about the under-allocation, and if it is because the other segments of the fund are growing faster than on real estate.

MS. DURAN replied that there are a couple of things that are happening. The private real estate portfolio remains the same size as last year. Last year the REITS portfolio, that was over a billion dollars, was included here. The total real estate portfolio is bigger. There has been growth in the portfolio, and there have also been net sellers this year. She stated that the real estate performance is basically a total return that is comprised of an income return and an

appreciation component. Every asset in the portfolio is marked to market on a quarterly basis. Those values recorded are based on an external appraisal or the internal valuation that is performed by the manager. There were quite a bit of disparate values observed at the time of transferring the assets between managers. She explained that because of that it was recognized that the process needs to be changed. That assignment will be handed over to a valuation consultant, in the near term, and moving that away from the managers' purview. She continued that in this quarter, the LaSalle U.K. portfolio has shown some impressive results while working on re-tenanting the Golden Square property and the Glade Center. The biggest attractor is in the Sentinel portfolio, and there is one asset that was a significant write-down. In this current environment where real pricing is pretty full, and depreciation is pretty thin, it was real difficult for the portfolio to absorb the magnitude of that loss, which was 20 percent. This is unheard of in the marketplace today. She added that an external appraiser was hired to provide a full scope appraisal on that asset, and was given the results. The hope is to restate performance in the next quarter. The only other sector where the benchmark underperformed was retail. The sector is overly broad-brushed in a negative way.

CHAIR MORAN asked what this is doing to rental rates.

MS. DURAN replied that they are posting positive leasing spreads of 18.5 percent. That means that when a tenant leaves, the rent is up 18.5 percent when the replacement tenant comes along. She added that retail has changed considerably. She stated that the JLL has forecast the year to show a decline of 10 percent, and we are currently at a 14-percent reduction. Foreign capital remained steady, and the Chinese investor is focusing on commercial real estate in the United States, highly targeting office in the primary markets, and especially New York City. She continued that overall every property type has shown a decrease in transaction levels, except for industrial. Industrial is showing year-over-year increases of 9 percent. She added that office is one of the only property types where occupancy is edging down. This is the most capital-intensive property type, and there are challenges ahead.

She noted that transaction volumes in the NCREIF are starting to retrench. There is a decline of 14 percent in the broader markets, and occupancy is solid in the NCREIF-tracked properties. Foreign capital remains active, especially with Chinese investors. We want to condition that upon the Chinese authorities imposing some kind of controls. The NCREIF valuation caps are looking flattish at this point in the cycle.

CIO READ introduced Steve Moseley, leader of the private equity team.

PRIVATE EQUITY & SPECIAL GROWTH OPPORTUNITIES

MR. MOSELEY began by providing context and reminding all that this is the private equity and special growth opportunities portfolio, which were two portfolios until a few years ago; essentially different forms and strategies within private equity. He stated that about $12 billion has been committed or invested. $5.8 billion has been distributed back to the Permanent Fund; $2 billion of that has been in the last year. It is a $3.7 billion gain for this program. The current portfolio is about 11 percent of the overall fund. It is still a young portfolio if looked at on a weighted-average basis. He discussed making the effort to separate all of the Fund investments from direct investments into operating companies, IRRs, about 12 percent.

MR. BROWN stated that the portfolio continues to perform well and outperformed the private equity global benchmark, which is quite comparable to the portfolio in terms of both asset classes and geographic diversification. He added that when better investment selection and decisions are made, there is more of an opportunity to outperform.

MR. MOSELEY highlighted that the value of the private equity and special opportunities portfolio has increased. He stated that there is still a lot of room for improvement by sourcing deals, assessing deals, and managing the private assets along the way.

CHAIR MORAN called a break.

(Break.)

INFRASTRUCTURE, SPECIAL INCOME OPPORTUNITIES & ABSOLUTE RETURN

MR. FRAMPTON began with the discussion of expected going-forward returns and highlighted that in these areas and alternatives there is the biggest dispersion relative to the mean. He stated in looking at the 8.5 fiscal year-to-date return for infrastructure against the 14.5 three-year, it seems that downtick does not exist. He noted that there are four subcomponents covered by his team. The largest is infrastructure, which was originally a Fund-driven investment program that was increasingly moved to a co-investment, and then, most recently, direct investment approach. Subsequent to June 30, the first infrastructure investment closed, and we were the lead investor taking a board seat on that company. Private credit is an area that was invested in through the fund-of-fund manager until two years ago when a program of investing was built out as a limited partner in funds. He continued that special opportunities are sometimes seen as income opportunities versus growth opportunities. These situations are where there is income-generating private investment which are not infrastructure or credit instruments. He stated that the largest investment in special opportunities in this portfolio is a joint venture with American Homes 4 Rent. That is not part of the public REIT, but holds higher incomes for rent. He continued that a lot of time has been spent on refocusing hedge funds. He emphasized that the most important thing in this program that will measure success is whether managers that have no beta-to-market are found. The portfolio had an 18 percent drawdown, and in the subsequent bull market, hedge funds have not kept up.

MR. BRIMBERRY stated that in evaluating different managers they are able to select best-in-class managers that will be able to consistently generate returns regardless of any market drawdowns that may occur. He continued that, in the last year, nine new funds were invested in that have delivered on those metrics, and we believe they will continue. He transitioned to the private credit portfolio and highlighted the high-yield benchmark has been very difficult to keep up with when invested in private credit that is not being traded. He noted that these performance metrics go through March 31 rather than June 30. He then moved on to the four commitments that were made for $304 million in fiscal year 2017. There is strategic value in being a long-term investor in this space. Three of these four funds were existing commitments in the portfolio that were raising new funds. One of those was very capacity-constrained. Being an existing investor, due diligence was done and we knew the managers are good, having confidence in making the commitment to the next Fund raise. He described the performance snapshot on the

special income opportunities; the last quarter there was one commitment which was the American Homes 4 Rent Joint Venture which has performed nicely and driven the returns. In the last quarter, a $25 million commitment was made to Athyrium which does commercial real estate, healthcare lending, and takes security and actual royalties that would pay off in the event that a company was no longer cash-flowing on a going-forward basis. The underlying security of those loans is the royalties that those parent companies have. Finally, on the outlook, the opportunities set remains attractive, driven by refinancing of previous loans that were in the portfolio, strong underlying business growth in the economy, continued private equity activity, and then bank retrenchment out of the direct lending space and out of the private credit space. This opens up more opportunities for the managers to get involved and lend at attractive rates.

MR. FRAMPTON wrapped up the presentation with infrastructure, stating that these numbers were prepared by the infrastructure consultant, Pathway. They do their returns as of March 31 and are right on top of them on three-year at about 14.5. The real discrepancy comes in on the shorter term, one-year number. He stated that is something that is an argument and a consideration for doing lagged performance reporting. He highlighted the direct portfolio as small; about 35 percent NAV with a return premium at 13 percent versus 8.7 on the funds, and we will continue to report on that. He then moved to his sector mix-up which is about half energy infrastructure and thinks it is representative of the overall market. Within that there is contracted power, regulated utilities, and midstream oil and gas. An "other "category includes timber, telecom, and waste management. He continued that the portfolio is doing well. There is a lot of money going into infrastructure, and we are trying to be mindful about vintage-year diversification. We like the strategy of being in funds and coinvesting with them and exiting opportunistically and then, from time to time, picking to do a direct investment ourselves.

ASSET ALLOCATION AND CAPITAL MARKET PROJECTIONS

CIO READ moves on to the asset allocation and capital market projections which will be led by Valeria Martinez, along with Greg Allen and Steve Center with Callan. He states that this is in the context of something that is done every year. The recalibration of the long-term return expectations for the asset classes, based on what has transpired over the past year. It is also guided by changes in future expectations of returns, profitability, interest rates, and markets.

MS. MARTINEZ began by noting that the board reviews asset allocation once a year. We will not be proposing any action items. This summary and background was prepared in terms of an asset allocation discussion with Callan regarding their projections for asset classes and how that affects the current asset allocation and the plan for the next five fiscal years that was approved last year in December. She continued that one of the reasons that changes will not be proposed is because no legislative action has been taken yet.

MR. ALLEN stated that the capital markets group is made up of people with economics backgrounds, actuaries, MBAs, and one guy was an aerospace engineer. He continued that we looked at all kinds of things that have happened in the economy: interest rates; inflation; pricing with the capital markets themselves. This is a structural part of the consulting practice. He then moved to the asset managers who try to figure out what market is going to outperform over the next years, and they have assumptions that vary widely. Another important point is that they have to work together when constructing portfolios. He highlighted some of the big changes that

happened from this year to last year. The equity numbers have come down and will be the primary explanation of the punchline, which is the expectation for the Permanent Fund's long-term return that has also come down, by roughly 50 basis points.

MS. MARTINEZ began with the current asset allocation as of June. The changes were primarily in global equity markets, so the outlook and the projections for global equities are lower. The risk is approximately the same. If the current projections for 2018 are used, the expected real return will be 4.25. The risk does not change much, and the experience for the Permanent Fund in private investments and in the mature programs has the potential to add another 50 basis points annually. She discussed the asset allocation and the increase in expected returns based on the allocation.

MR. ALLEN stated that small-cap managers have generally outperformed more often than large-cap managers. Emerging market managers have had periods where they have outperformed by quite a bit, but it does not happen all the time. For strategic planning purposes, he encouraged that an alpha assumption not be baked into the return expectations.

MS. MARTINEZ explained that, in order to evaluate performance metrics and standards, the projections are shown first. She stated that there are two efficient frontiers. One frontier is constrained by the level of private assets that are currently in the asset allocation targets. There are targets for private assets of 32 percent. She shared the graph which showed where the asset allocations fall for each year. She added that 2017 and 2018 fall below the efficient frontier. That is mainly attributed to an allocation to cash which brings the mean return lower than what the efficient frontier would indicate. The targets for 2021 include more private assets that fall above the efficient frontier. If that efficient frontier was adjusted to account for 42 percent in private assets, then the efficient frontier is high and 2021 is closer to the efficient frontier.

MR. ALLEN stated that cash is not viewed as a long-term investment category and is not efficient over the long run. It does not deliver enough return per unit of risk. He added that if there is a strategic allocation of cash, the most efficient portfolio cannot be reached.

MS. MARTINEZ explained that there are no requests for any changes to the asset allocation, and five years of asset allocation was approved last year. That may be revised next year when the asset allocation is reviewed.

CHAIR MORAN moved on to the next report.

INVESTMENT PERFORMANCE: METRICS AND STANDARDS

CIO READ stated that the next topic is performance measures and standards, and it was introduced at the workshop a few weeks ago. He continued that at this meeting he is looking at it to be an action item because of the policy implications associated with the four parts of this. The key is an adjustment of the long-term return expectations of the fund or the long-term threshold and to a real return of 4.5 percent or better. The material that is being agreed with goes along with Callan's recommendation which rhymes with what is being heard across the consulting community, but also the experience of major pension funds, endowments, and foundations. The second is establishing a performance report card, shining a bright light on performance and

providing specific context for viewing the investment performance in aggregate and by asset class. The third is creating a real assets category to be comprised of real estate, infrastructure, private credit, and special income opportunities in order to provide flexibility in allocating to the best opportunities across the real asset category asset classes. Fourth is introducing a one-quarter lag in private market's performance. He went back to the first item and stated that the adjustment of long-term return expectations for the plan that had historically been CPI plus 5 percent has been discussed. This has been in place since the inception of the Permanent Fund in 1977 and is an important change. It is coming as a result of reduced expectations in growth parts of the market. He explained that there are three factors driving this: one is material run-up in those markets in and of themselves; second is continued low interest rates; and third is that we do not have reduced growth expectations in the world. He continued that there are plenty of excellent investment opportunities around the world that are simply harder to access, to evaluate, and to structure. He noted that, regarding the Permanent Fund, the investment staff will give the expectations for the achievable, sustainable, long-term returns that can be achieved. He continued that the implied growth of the Fund becomes more a function of inflation than it has been in the past.

CEO RODELL felt obligated to point out that the first job is to preserve the principal and then maximize return. What Mr. Read refers to as the Fund, she refers to as assets under management. She continued that in taking all of the volatility and risk in the earnings reserve account, historically, the corpus, the principal has been kept whole so that if there were losses they would be replenished to the corpus with earnings reserve. When taking more risk overall, which is being discussed, there is a possibility of overly draining that earnings reserve account to maintain or we will end up with big losses in the corpus that cannot be recouped or cannot be recognized. She stated that she wanted all to remember that when talking about potentially taking more risk.

TRUSTEE FISHER stated that is a great point and feels that this is an important decision for the board to make, one of the most important that he will have to make in his entire time on this board. He added that this is not a trivial decision and that he has already received an e-mail from a member of the press that asked for an opinion from the administration on what they think of this.

MR. ALLEN stated that when faced with the situation, the industry does an asset allocation study and they simulate the behavior of the fund in the context of the two different portfolios: the portfolio as it stands now, and the one that actually generates the 5 percent return. He added that it is something that can be done.

TRUSTEE RUTHERFORD asked about the risk to the corpus.

MR. ALLEN replied that the bigger risk with the Permanent Fund is the earnings reserve is very volatile compared to the corpus. The earnings reserve is just the excess earnings. If the Fund goes down by 20 percent and the earnings reserve is 20 percent, and it is realized, which is not done every year, that the earnings reserve is wiped out with a 20-percent decline in the Fund value. The earnings reserve is much more sensitive to investment risk than the Fund as a whole is. He continued that if the risk of the total Fund is amped up, the risk of the earnings reserve balance is magnified by even more.

CHAIR MORAN stated that, realistically, there should be an achievable goal and anything over and above would be nice, but the Legislature wants to spend $2.5 billion every year, and there should be some reasonable assurety of getting that without a lot of volatility.

CEO RODELL stated that the challenge is getting people to get out of the short-term mindset and think about this as a long game that is being played, and that we are trying to deliver the sustainability no matter what that is. This is difficult.

TRUSTEE MACK stated that he shares similar concerns to what Commissioner Fisher just expressed. This is an extremely important decision, which is fundamental to the Permanent Fund. He continued that he would feel more comfortable if there was some additional information on the table. He added that the exposure to some risk and what those analyses looked like should be thought about.

TRUSTEE RUTHERFORD presumed that the role as board members was to approach the investment strategy from a rather conservative perspective, and in that, we have to look to ensuring inflation-proofing, and we have to look to future generations.

VICE CHAIR BRADY stated that nowhere in the history of organizing this Fund is it a rainy-day fund. It does say that the Fund is there for the purpose of present and future generations; with the concept that it pays a dividend. Mr. Rasmuson put the point about inflation-proofing in and, with the exception of the last two years, every year it has been adjusted and funded for inflation. He continued that never before now or in recent times have the Trustees had to face the realization that this Fund is going to be used, one way or another, some percentage for state government. That is the reality of what is happening.

TRUSTEE RUTHERFORD stated that is why she cares about whether or not that is an appropriate perspective to impose on her vote, because there is the potential now of facing that question. She added that how the expectations are positioned is very relevant not only to the board, but also to the public at large.

TRUSTEE FISHER clarified that he is advocating an examination of what that risk would be, and then a judgment about whether it is an acceptable risk or not. He agreed that putting the corpus of the Fund at risk should not be done. One of the values of the Permanent Fund is a consistent stream, and it would be a disservice to have an abnormal amount of volatility coming out of this source of revenue, as well. He added that he does not feel armed necessarily to justify the decision.

CIO READ noted that it was common practice among foundations and endowments to have a 5 percent distribution every year, and that was in place for quite a while. That did relate into sort of that CPI plus 5 percent concept. He continued that common practice among foundations and endowments has also changed in the last several years. He added that the other point of context is the 4.5 percent maximum payout from foundations and endowments as the new norm.

CEO RODELL shifted to the particular item on the agenda, and the motion that she wanted the board to make was to adopt the report card, and to also invoke a three-month light on the private

market. The next agenda item are changes to the investment policy which had the proposal of the CPI plus 4.5, plus the creation of the real assets category. It was more appropriate that it be done in the context of an investment policy, as opposed to adopting the scorecard. If possible, she deferred to the board to table the discussion on the 4.5 and then move back to the discussion.

CIO READ moved to item No. 2 which would be the performance report card and also the three-month lag for private market reporting. The performance report card was discussed at the workshop and involved shining a bright light on performance and providing a context for what should be performance objectives. He stated that the proposal is to focus the performance measurement standard in terms of the following measures of success: one is based on the long-term goals of the plan which is embodied in five-year numbers; then, a medium-term outlook based on three-year numbers; and a short-term outlook based on one-year market indices. He continued that the concept is that this plan could be used as successful to the extent that three things are happening. If these three things are not happening, the board cannot be fully satisfied. He stated that the last topic is introduction of a one-quarter lag into APFC's private market investment calculations. This is a practice which has been adopted, generally, by the largest and most sophisticated peers. He added that this is a fairly straightforward concept except the execution, and is a one-time adjustment.

MR. CENTER stated that the current practice for reporting on the private market assets is that we report with as much data as there is by a mutually agreed-upon cutoff date in order to produce a report in time for both this board meeting and to produce the annual report. He continues that the goal is twofold: No. 1 is to be able to produce a return for the Permanent Fund on a timelier basis; and No. 2 is to not have this restating practice that is currently in place, where the number that is booked for fiscal year end should be done by the end of July.

> **MOTION:** VICE CHAIR BRADY made a motion that the board adopt and staff begin implementation of an annual fund and asset class investment performance scorecard, along with instituting a one-quarter lag for reporting of APFC's private market investments, beginning with fiscal year 2018. That language can be found on the front of the investment performance metric statistics memo under Tab 20. TRUSTEE RUTHERFORD seconded.
>
> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (BRADY, MACK, FISHER, CASH, RUTHERFORD, MORAN).

STRATEGIC PLAN, INVESTMENT POLICY, AND REAL ESTATE STRATEGIC PLAN REVIEW AND DISCUSSION.

CEO RODELL stated that the strategic plan was included with an update on where we are compared to a year ago. A year ago, the board of trustees passed and approved a comprehensive five-year plan for the Fund. This was done in more detail at the September 7th work session. The highlights were that the target goal of six months early of implementing a new trade order management system was met. The IT and financial network systems and where those need operational improvement was also looked into. Another strategic goal was to continue to work on the best in class, and on the individual asset classes' performance. In terms of gaining control of the resources, that will be discussed tomorrow. She asked for an amendment to the strategic

plan for real estate that has to do with the build-to-core. She asked Ms. Duran to give a brief reminder of the comprehensive real estate strategic plan that is an addendum to the investment policy.

MS. DURAN explained that a year ago the full investment policy for the APFC was redrafted. The original that existed had a real estate strategic plan actually in the body of that and is a good 40 pages of material. The board voted and approved that plan, but had to set it outside of the investment policy. Today there is a negotiation with a build-to-core development firm in the United States, a huge multi-family company. The loan to cost that was looked at to underwrite the deals is 55 to 65 percent. The current policy has a limit of 50 percent.

> **MOTION:** VICE CHAIR BRADY made a motion that the board create an exception to the real estate investment strategy to approve a construction debt loan to cost level of up to 65 percent of the tactical proposal for the tactical purpose of implementing the build-to-core strategy while still maintaining the overall portfolio leverage maximum of 40 percent. TRUSTEE CASH seconded.
>
> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (BRADY, MACK, FISHER, CASH, RUTHERFORD, MORAN).

CHAIR MORAN adjourned the meeting for the day.

(Alaska Permanent Fund Corporation Board of Trustees meeting adjourned at 5:32 p.m.)

SEPTEMBER 28, 2107

CALL TO ORDER

CHAIR MORAN called the meeting to order. He stated that there is a modification to the agenda: at 10:45, the asset allocation discussion will continue, and there will be a presentation about the mother of all models.

LIQUIDITY MANAGEMENT PLAN: MANAGER SELECTION

CIO READ stated that Valeria Martinez will present. Recently, potential liquidity managers have been interviewed, and the report is on their results and recommendations.

MS. MARTINEZ stated that this presentation will be about the liquidity overlay program. She continued that yesterday's presentation showed what capabilities the Permanent Fund has in terms of managing cash and managing liquidity; and it showed that there are not many options in terms of cash management. She added that some options were presented on how to better manage cash and the approval of the search for a manager to better manage the liquidity.

MR. ALLEN stated that there are a couple of various sources of cash exposure that are persistent within the Permanent Fund portfolio. In the asset allocation bucket, it is the amount of cash that fluctuates. There was a lot of cash there that was raised in the anticipation of potentially having to make a payment to the State on July 1st that did not have to be made, creating some cash drag.

He added that there is a lot of other cash-flow activity month in and month out within the Fund. If a manager is terminated, many times that money sits in cash for a period of time. He explained that cash on hand is needed to fund capital calls. He continued that, recently, a lot of money is being returned by the private equity investments. He added that this frictional cash is natural in a $60 billion portfolio. There can be a more efficient long-term investment portfolio if that cash could be converted into equities or fixed income. He stated that a liquidity overlay manager would sweep the cash and put it into a big account, overlaying the case using a futures account, providing full equity exposure across the equity managers. He noted that it is a fairly mechanical process with operational challenges, and we want to make sure that the firm hired has that handled. The proposal is a simple overlay with a cash sweep and equitizing that cash which should get a little extra return on the equity portfolio relative to what is brought in now over time. The overlay exposure will get trued-up on a daily basis by the manager.

> **MOTION:** VICE CHAIR BRADY made a motion to approve the staff and general consultant's recommendation to implement liquidity overlay program and to appoint NISA Investment Advisors as manager of the program. TRUSTEE FISHER seconded.
>
> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (BRADY, MACK, FISHER, CASH, RUTHERFORD, MORAN).

STRATEGIC CONSIDERATIONS: THREATS AND OPPORTUNITIES IN VENTURE CAPITAL

CIO READ stated that external managers will focus on the threats and opportunities in venture capital. He continued that this is led by Steve Moseley, head of private equity.

MR. MOSELEY began by introducing each of the gentlemen. Bob Nelsen is the managing partner of Arch and is viewed as one of the venture investors in the life sciences industry that knows what is going on. Ryan Watts is the CEO of Denali Therapeutics whose background is as a scientist and an operator heading a department at Genetech. Arif Janmohamed is a partner at Lightspeed and is responsible for the enterprise activities, topics like artificial intelligence and cloud storage.

MR. NELSEN stated that he views the total healthcare spend as wasted on a reactive system which treat disease not very effectively and costs a lot of money. He continued that the company wants to go to a kind of data-driven system that disintermediates the other system more efficiently and effectively for patients, and then to capture the economic returns that are due that. He added that this is the most innovative time in history, and what they want to do is buy a long-term option on that disintermediation by creating companies that have the best people and enough resources to take multiple shots on goal hits, and kind of create a new model to take advantage of that innovation that captures a lot of the upside without much of the volatility because it is a size and scale. This is unprecedented in the industry.

MR. MOSELEY asked Mr. Janmohamed how Lightspeed has differentiated the firm in the market and how that is being executed.

MR. JANMOHAMED replied that Lightspeed is based out of Menlo Park, California, and Silicon Valley, manages about $4 billion in capital. They specialize in enterprise and consumer IT investments at the earliest stage, through the growth stage of the companies. He continued that they take risks behind one, two, three entrepreneurs who may have a dream, a PowerPoint and an unfair advantage in their respective fields. An example of one company is Snapchat. It had no website and very little information on the web. He added that they reverse-engineered into finding Evan Spiegel. A $500,000 initial check has turned into a company that is worth about $18 million. That is on the consumer side. On the enterprise side, he stated that they go deep with founders who have an unfair advantage. These entrepreneurs are tracked down and coaxed or encouraged to start companies. An example is a company called Nutanix. The three founders had a dream about how to really revolutionize the way that data centers and enterprises do computer and storage networking. He stated that one of the founders had personally written more than one-third of Google's file system. They are now a public company with 3,000 employees and are worth about $3.5 billion in the public markets. He added that the company tries to find, identify, pursue, and help entrepreneurs build their companies from start, all the way through to an event.

MR. WATTS stated that they have been in existence for only two years with the support of APFC and other incredible funds. He continued that he is a neuroscientist by training and studied how the nervous system develops in model organisms and learned that the nervous system, as it develops, goes through a degenerative mechanism. It initially wires together and there is a molecular mechanism in which the nervous system rewires during development. He basically discovered that process is part of the process of the loss of the connections in diseases like Parkinson's or Alzheimer's, and became obsessed with the idea that will reverse, halt, or cure these diseases, and we have been working on them for two decades. He stated that he met Marc Tessier-Lavigne, one of the other co-founders, who went to Genentech, a biotech company that is known for producing human insulin through recombinant DNA technology. He continued that he worked on oncology for three years, which has been the core of foundation, understanding cancer and applying those learnings to neurodegeneration, Alzheimer's, Parkinson's, and ALS. He added that there are now 125 employees, and we have ongoing clinical studies, including in Parkinson's disease. A technology has been invented to get drugs into the human brain which is a very difficult organ to treat. The medicines that were invented in Parkinson's at Genentech are now owned by Denali through a partnership.

CHAIR MORAN asked how the company deals with the overlapping intellectual properties.

MR. NELSON continued that the simplest answer is if there is a big problem that is trying to be solved and there is an ability to focus on curative and disease-modifying therapies, everyone will line up. Having clear goals and big goals allow getting over some of the things that are problems with the smaller companies. He added that his role is making a nest of good science and then recruiting people.

MR. MOSELEY asked about how Lightspeed identifies entrepreneurs and areas of interest.

MR. JANMOHAMED stated that data warehousing is changing fundamentally because of something called big data. This has been a trend over the last ten years, and it is evolving into what people are now calling artificial intelligence. Big data is the concept that the cost to store,

process, and analyze a byte of data has dropped so dramatically over the last two decades that it enables a new class of applications.

MR. NELSON explained that there will be a converging of these two things, healthcare, proactive data and all the tools and will be able to, with a company we have called GRAIL, go to the doctor, get a blood test and be told what diseases you may have or even diseases you may get which you do not have now. The scale of that data is massive. GRAIL is already one of the top two or three customers of Amazon Cloud. He stated that it is a company that is a year old and has created petabytes of data and eventually exabytes of data, which is like the size of the internet. The data in healthcare will change all the things that are done, and we will be able to even predict things that will save states a lot of money.

CEO RODELL asked for information on the speed of a five-year or a ten-year outlook.

MR. NELSEN replied that in life sciences the best way to maximize short-term outcome is to plan and build for the long term and go for the major value. He explained that if a shareholder base is built that is your $50 billion company shareholder base, then there lots of things to do in the short term and make tough decisions that may pay off in the short term that could not have been done otherwise.

MR. WATTS stated that when Denali was founded the goal was to develop cures for Alzheimer's Parkinson's, ALS, neurodegenerative diseases. Because of the speed and the depth of the sciences, there are opportunities that get close to the ultimate cure. He continued that ways to get large molecules such as proteins, enzymes into the brain have been developed; there is a wonderful opportunity in rare disease for a much higher probability of success. He added that a technology has been invented that we want to apply to Alzheimer's, Parkinson's and beyond and are also applying to these rare diseases. He stated that genetic insights are had because enormous amounts of data are handled, sequenced and compared.

MR. JANMOHAMED stated that they have a term called platform companies. The platform is that there is a baseline technology which underpins and is the foundation for a company over a decade or more. He continues that technology can evolve, and is malleable enough that applications can be plugged in on top of that. He added that, over the decade, the best companies are the ones that continue to innovate. They start with their wedge, with their first application, build a foundation that gives them the license to continue to innovate and build new modules, new applications on top of that.

CHAIR MORAN thanked all and stated that this was fascinating. He called a break.

(Break.)

CHAIR MORAN called the meeting back to order. He stated that it was an honor to have a visit from a former trustee and chairman of the Alaska Permanent Fund. He introduced Lieutenant Governor Byron Mallott.

LIEUTENANT GOVERNOR MALLOTT congratulated all for another very successful year. He added that he spent eight years as a trustee. During that period, owing nothing more to

longevity, the chairs rotated and he was chair for several years. He also spent five years as the CEO. He stated that was when the Fund was just beginning to grow, change, and look at how returns could be enhanced with the appropriate levels of risk. There was a time that all investments were done externally. He emphasized that it is evolving and indicated that the Permanent Fund is going to have a different relationship with the people of Alaska, its owners. He suspected that the language will change; the Fund is now a sovereign wealth fund. He continued that it is different in some substantive ways from the kind of institution it is now. It will require a different world view, and he has had this conversation with the people of Alaska, particularly with the Alaska Legislature, about the role, the purpose, the ability of the Permanent Fund to meet the expectations of the people of Alaska which, until this time, have been measured largely by the successes and, to some degree, the failures. He stated that Alaskans need to understand that when the Legislature acts, because it will be necessary and there is no other choice but to use earnings of the Alaska Permanent Fund to help Alaska meet its future revenue needs, that relationship is going to change. As a sovereign wealth fund, the reasons and expectations of the Alaska people for decisions made are going to be more nuanced, and more focused. He continued that the trustees have the ability to make the kind of judgments that allow you to meet your obligations as trustees, but also continue the kind of relationship that is necessary with the policymakers and the people of the state. He thanked all of the trustees for their service and leadership. He also thanked them for this opportunity to address them, and asked for any questions.

CHAIR MORAN stated that the trustees value his insight and counsel, and will take it under consideration.

POLICIES & PROCEDURES

CEO RODELL stated that next on the agenda is policies and procedures, and also the tabled investment policy discussion. She suggested starting with the investment policy discussion. She clarified that the discussion is being driven by external market conditions in the investment environment that is being potentially faced in the next ten years.

MR. ALLEN stated that the talk was about the capital market projects and how they have changed. He made the point that bond yields are low, and expectations for growth have been lowered. This has resulted in the expectations and the industry's expectations for diversified portfolio returns for the next ten years. He continued that the exercise yesterday was to come up with a projected return and risk for the 2018 policy portfolio. He stated that he went through the exercise using the software that does this and explained three different ways that could use the capital market expectations combined with an asset allocation to come up with an expected return of 7.25 percent. He explained that the overriding message is there is no way to get to the higher return, in particular a 75-basis-point higher return, without taking on additional risk.

TRUSTEE RUTHERFORD asked if there are similar funds that employ these increased levels of risk as a standard policy.

MR. ALLEN replied that in the large endowment community it is not unusual to see 5 percent in fixed income. He stated that it is a model that has been employed and, at least historically, could

bear this kind of illiquidity risk and have this long-term holding-time horizon. If there are more frequent and larger draws on the capital, liquidity would have to be thought about harder.

TRUSTEE RUTHERFORD stated that some of these funds have specific demands on the draw, like some of the retirement funds. On the funds set up with a long-term vision, which is mandated to consider, she asked for comment on how those synchronize.

MR. ALLEN stated that, generally speaking, the industry would say the smaller the draw is relative to the size of the Fund the more long-term perspective can be taken. He explained using examples of some public funds that are 25-percent funded. He continued that, historically, the draw on this fund has been very small relative to the corpus. One thing that is not in the fund's favor is that the government is going to depend on this draw. And to the extent that additional volatility of the market value is created, a volatility of a POMV payout is created.

TRUSTEE FISHER stated that he was surprised and intrigued by the statement that large endowments at 50 percent illiquid, 5 percent in fixed income, is not unusual. He asked how the draws are typically managed and how that asset allocation impacts those draws.

MR. ALLEN stated that the industry standard is some form of a POMV type of a draw because these are typically university endowments and are often more complicated than just a simple POMV.

CEO RODELL stated that one of the other challenges is that endowments have the ability to react to what markets are doing. They have the ability to adjust their POMV drawdown because of the view. There is a need to recognize that writing a percentage draw in statute does not have the same flexibility and has to be managed through as a result. She added that what the Legislature is trying to craft is a permanent solution until it gets changed by a future governmental body. It is not like an endowment run by a university faculty board that can change in response to the environment. She stated that one of the things that is concerning about this discussion is the fact that we are going to become the largest taxpayer in the state of Alaska, and just like we are 90 percent reliant on an oil and gas tax, that reliance will be changed from those taxpayers to this entity right here.

CHAIR MORAN stated that it is important to recognize that this is a model, and we are playing with numbers. He noted that the downside is that the whole thing can blow up, and the pain would be substantially more than what people anticipate.

MR. ALLEN added that the idea of having no bonds in this portfolio would not play well had that been the policy in 2008.

CEO RODELL stated that this is an asset allocation model and is an independent view. Very important, but there is imprecision that is not going to be correct. The plan is to add some value above the asset allocation model and to think that has been effective. There is a plan to increase the illiquid portion of the investments to improve the long-term expected return of the plan.

TRUSTEE FISHER proposed keeping the asset allocation and to look at how the risk is modeled. As a board, we are not asking the Permanent Fund to change their asset allocations in order to chase a higher return.

VICE CHAIR BRADY disagreed and stated the need for a specific number, stating that he would be in favor of reducing it.

CEO RODELL suggested tabling this until May. There will be much more clarity, and we will see throughout the course of the fiscal year what the capital markets are doing in a short-term manner, not a long-term manner.

TRUSTEE RUTHERFORD added that CEO Rodell's proposal makes the most sense, and stated that she has been uncomfortable for over a year with the proposed draw that the Legislature suggested.

CHAIR MORAN stated that the benchmarks and goals are important because they do drive performance. The board should be more concerned with feeling comfortable with the asset allocation and the amount of risk being taken than whether or not it is going to be a 4.5 percent return or a 5 percent return in any one year. He added that he is comfortable with waiting until May.

CEO RODELL moved on to the other two policies, first requiring an action. She continued that under current statute, travel by State employees, including the staff of the corporation, is determined by the Alaska Administrative Manual which is written and approved by the Commissioner of Administration. She added that things have shifted, and it will now be submitted to the Acting Commissioner of Administration. She explained that we are allowed to ask for exceptions to the administrative manual, and we are trying to recognize how much more important travel has become to the business of the Fund. Part of this is to streamline the approval process and recognize some of the activities that are done. She asked for approval to submit this to the Acting Commissioner.

> **MOTION:** TRUSTEE RUTHERFORD made a motion that the trustees approve the attached exceptions to the state travel policy and direct the Executive Director to forward to the Acting Commissioner of Administration for final approval.
> VICE CHAIR BRADY seconded.
>
> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

CEO RODELL moved to the board seat policy. At the work session on September 7th we talked about becoming a direct investor in some of these direct investments when offered the opportunity to serve on the board of privately held companies where we are a major investor. She added that this policy is for information purposes only and does not require board approval. It requires that staff recognize their responsibility both to the fund and the company. She stated that it does limit the number of board seats that any staff member can have, which is one. That can be increased to two in exceptional services or circumstances. She added that she and

Mr. Read will not accept positions but can serve as observers to boards where we have observer status. This will also require that if your employment with the Permanent Fund is terminated, you will also immediately terminate, and that you serve on the board at the pleasure of the CEO.

CIO READ added that this is only for privately held companies. If a company in which there is board representation goes public, the board representation will cease.

CEO RODELL stated that the next item is an executive session.

> **MOTION:** TRUSTEE RUTHERFORD made a motion, per Alaska statute 44.62.310(c), pertaining to the Open Meetings Act, that the Board of Trustees convene in executive session to receive an update on the Alaska Permanent Fund Corporation's disaster recovery plan. This topic is appropriate for executive session because the immediate knowledge of this information purport the efficacy of this plan and, in turn, negatively impact the value of the Permanent Fund. TRUSTEE FISHER seconded.
>
> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

CHAIR MORAN stated that the board is in executive session.

(Executive session from 12:01 p.m. until 12:57 p.m.)

CHAIR MORAN announced that the board is coming out of executive session, and further stated that during executive session the board only considered the matters mentioned in the motion and took no action. He called a for a lunch break.

(Lunch break.)

CHAIR MORAN called the meeting back in session and stated the next order is budget approval.

FY19 BUDGET APPROVAL

MS. ACHEE stated that in the packet is the memo that walked through the FY19 budget proposal. She moved to the budget structure and stated that within the appropriation there are two allocations: the operations allocation, and the investment management allocation. There is a need to be a competitive agency that can go out and compete against our peers in the public and private sectors. She continued that two versions of the budget have been prepared. The budget proposal that is headed "Status Quo for FY19" includes the full funding needed to continue to operate the corporation as it exists today. Also prepared is a proposed budget that would add 10 new positions in order to continue to expand and support the internal investment programs. What is interesting is that this proposal is about $5 million less than the status quo proposal. If the internal programs can be expanded, then that will offset with what is being projected to be about $9 million in fee savings for public equities. She added, that is the primary driver between the two. She then went through each budget and what the changes of the full proposal will show by the addition of those ten new people.

MOTION: TRUSTEE RUTHERFORD proposed that the board of trustees authorize the APFC staff to:
1) carry forward the status quo 2019 proposed operating and investment management allocations to the Governor and the Legislature;
2) request the corporation's budget be included in the language section of the operating bill as follows: move an amount not to exceed $174,285,274 is appropriated from the Alaska Permanent Fund Corporation receipts for the investment and operating costs of the Alaska Permanent Fund Corporation;
3) request ten new positions which, if approved, would reduce the total budget request to $169,212,290. TRUSTEE FISHER seconded.

CEO RODELL stated that there was a meeting with the Office of Management and Budget, and they requested to also look at doing a basis-point budget. She continued that she did not have the information at this time, but if there is a need to amend this motion to recognize that, that option is out there.

TRUSTEE RUTHERFORD stated that a commensurate basis-point presentation can be referenced in general.

TRUSTEE FISHER stated that he fully supports the way it is being presented, but wanted to go on record to express strong support for hiring the ten positions and to try to move in the direction where there is more capacity for the corporation. Secondly, a large number of the increases were associated with it, and he encouraged the corporation to look for opportunities to leverage State assets as much as possible to try to minimize those costs.

Following the roll call vote, the MOTION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

LEGISLATIVE REQUESTS

CEO RODELL stated that during the work session some different ideas were brought forward. There are two to move forward with today. The first is procurement, which has challenges for the corporation and the ability to act timely. The second is inflation-proofing, which is really talking about how inflation-proofing works within the context of the assets under management. She continued that we proposed suggesting that inflation-proofing happen, and to seek a change to the definition of statutory net income. Statutory net income is the realized income or loss net of everything that has happened to it, and making inflation a cost of the investment that would be deducted before the statutory net income calculation is done.

MOTION: VICE CHAIR BRADY made a motion that the board authorize the corporation to pursue legislation that would seek a procurement exemption for investment-related services and requests that impacts of inflation experienced by the Fund to be accounted for in the annual calculation of net income. TRUSTEE CASH seconded.

TRUSTEE FISHER stated that SB 26 has a mechanism for this.

CEO RODELL stated that what is interesting about SB 26 is that it had a mechanism and we exceeded the four times required draw that would have argued for an amount to come back in for inflation-proofing; and while the other mechanisms in SB 26 were recognized, like the reduction of the royalty to 25 percent, the change in the dividend, that mechanism was not.

TRUSTEE FISHER stated that he wanted to be on record as completely supporting inflation-proofing. He added that he did not have a strong opinion on whether this is the exact right solution or not.

TRUSTEE RUTHERFORD stated that she feels very uncomfortable with not pushing the Legislature to deal with inflation-proofing because it is the future generations' protection. She added that a motion plus a resolution is a good idea because they need to understand that as a board we feel strongly about it.

TRUSTEE CASH agreed and echoed Trustee Rutherford.

CHAIR MORAN asked to call the vote.

TRUSTEE MACK stated that he feels strongly that this should be accounted for in the legislative process and will vote for it as well.

> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

CEO RODELL stated that the value of the resolution is that it allows staff to distribute it to legislators and to really show a formalized opinion by the Board of Trustees.

> **MOTION:** TRUSTEE RUTHERFORD moved approval of this resolution. TRUSTEE CASH seconded.

> Following the roll call vote, the MOTION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

ELECTION OF CORPORATE OFFICERS

CEO RODELL stated that, in accordance with the charter, a chair and a vice chair need to be elected. She continued that, by definition, the vice chair is the chair of the Governance Committee, and appoints the members of the audit committee. She added that the current chair is Bill Moran, and the current Governance Committee is Vice Chair Brady.

VICE CHAIR BRADY suggested electing the chair and vice chairman, and then the chairman appoints the committees, Governance and Audit.

> **NOMINATION:** TRUSTEE CASH nominated Chair Moran and Vice Chair Brady to repeat. TRUSTEE RUTHERFORD seconded.

Following the roll call vote, the NOMINATION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

CHAIR MORAN reappointed the same committees as last year.

CEO RODELL clarified that the Governance Committee is now comprised of Chairman, Vice Chair Brady, Trustee Rutherford.

TRUSTEE RUTHERFORD stated that Chair Moran was also on it.

CEO RODELL stated that Trustee Fisher will stay on the Audit Committee.

CHAIR MORAN clarified that the way the committees have always worked it that all trustees are invited to them, and they are always held in conjunction with all the meetings. It is usually attended by the trustees.

CEO RODELL added that Trustee Rutherford is still the chair of the Audit Committee.

OTHER MATTERS

CEO RODELL stated that there is a proposed 2018 and a 2019 calendar of meetings. The 2018 calendar was approved a year ago, and it is now the time to make changes to the 2018 calendar if needed. She continued that dates for 2019, along with locations, have also been proposed.

MOTION: TRUSTEE CASH made a motion to adopt the dates, locations to be determined. VICE CHAIR BRADY seconded.

Following the roll call vote, the MOTION WAS APPROVED by the Trustees (RUTHERFORD, CASH, FISHER, MORAN, MACK, BRADY).

INVESTMENT ADVISOR COMMENTS

MR. MITCHELL stated that all the trustees should be pleased with the investment results that the staff and the board have put up over the past years; and, in his opinion, it is not due to good luck but due to some careful planning and some thoughtful execution. Although no one should ever underestimate the role of luck in investments. He congratulated all, and stated those were his remarks.

TRUSTEE COMMENTS

VICE CHAIR BRADY complimented the staff, and in particular, the Executive Director. He is continually impressed with the professionalism and the additions to the staff that are being made. It is coming together nicely.

TRUSTEE RUTHERFORD echoed the sentiments and noted that she is really pleased with some of the changes made by CIO Read, particularly in the report card. It is an excellent idea.

TRUSTEE CASH echoed both of those comments and stated that this was a really good meeting, noting that there are some interesting times of challenge and opportunity.

CHAIR MORAN commended staff on the work put into the annual report. It is another first-class work product, and he knows the amount of work that goes into it. He continued that the whole board recognizes how much work goes into the behind-the-scenes on these meetings, and we appreciate when meetings go like this where questions are answered, and everyone is prepared.

CEO RODELL welcomed Trustee Mack to his first APFC meeting.

TRUSTEE MACK thanked all for their patience.

CEO RODELL stated that there are some homework assignments to take away, which is always good in terms of future agenda items so staff can be prepared. If there are any ideas for education sessions for December and February, to please let staff know. She also congratulated the staff on some of their accomplishments. It has been quite a year. She thanked all for their support.

TRUSTEE RUTHERFORD stated that the venture capital presentation was fantastic.

CHAIR MORAN adjourned the meeting.

(Alaska Permanent Fund Corporation Board of Trustees meeting adjourned at 2:35 p.m.)

a) Pending Board Matters

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Pending Board Matters ACTION: ______

DATE: 12/12/2017 INFORMATION: X

BY	TASK	CAPTURED	TARGET	COMPLETED
Rodell / Brown	Salary Structure Study	12/16	9/17	12/17
Rodell / Read	Updates to Asset Allocation: Investment Policy	9/17	5/18	
Read	Review ECIO	12/17	2/18	

b) Trustee Education

SUBJECT: Trustee Education Opportunities ACTION: __________

DATE: 12/12/2017 INFORMATION: ____X____

APFC Board of Trustees Charters and Governance Policies
The Board of Trustees of the APFC has established a Trustee Education Policy with the following objectives:

- To ensure that the members of the Board have access to the knowledge and information necessary for them to fulfill their fiduciary duties as trustees of the Alaska Permanent Fund; and

- To assist them in becoming well informed in all matters pertaining generally to the management of a large institutional fund, both public and private, and more specifically to the management and investments of the APFC.

In accordance with the Trustee Education Policy, the following is a list of conferences and seminars that Trustees may wish to attend.

Trustee Training Opportunity	Topic	Location	Dates
2018 Callan Institute's National Conference		San Francisco, CA	January 28 – 31, 2018
Pacific Pension & Investments	Winter Roundtables Summer Roundtables	Washington, D.C. Los Angeles, CA La Jolla, CA Chicago, IL	March 14 – 16, 2018 Feb 27 – March 1, 2019 July 11 – 13, 2018 July 10 – 12, 2019
ARMB Education Conference	TBD	New York, NY	October 2018

IFSWF Annual Meeting	TBD	Juneau, AK	September 2019

c) Disclosure Reports

ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

Memo

To: Carl Brady, Chair
Governance Committee

Through: Angela Rodell
Executive Director

From: Chad Brown
HR Manager

Date: December 12, 2017

Re: APFC Financial Disclosures

As required by AS 37.13.110(b) and Alaska Permanent Fund Corporation policy relating to personal investments conduct and reporting, trustees and staff must disclose certain financial interests. Below is a list of disclosures for transactions made by trustees and staff, covering a period of July 1 – September 30, 2017.

July 2017			
Name	**Position Title**	**Disclosure Type**	**Received**
Jared Brimberry	Portfolio Manager	Individual Transaction	08/11/2017
Jay Klinger	Accountant	Individual Transaction	08/04/2017
Tom O'Day	Analyst	Individual Transaction	08/15/2017
Chris LaVallee	Accountant	Individual Transaction	08/15/2017

August 2017			
Name	**Position Title**	**Disclosure Type**	**Received**
Carl Brady	Trustee	Individual Transaction	09/01/2017
William Moran	Trustee	Individual Transaction	09/12/2017
Fawad Razzaque	Director of Investments	Individual Transaction	09/01/2017
Chris LaVallee	Accountant	Individual Transaction	09/22/2017

September 2017			
Name	**Position Title**	**Disclosure Type**	**Received**
Larry Cash	Trustee	Individual Transaction	10/10/2017
Jared Brimberry	Portfolio Manager	Individual Transaction	10/04/2017
Chris LaVallee	Accountant	Individual Transaction	10/09/2017
Steve Moseley	Director of Investments	Individual Transaction	10/04/2017
William Moran	Trustee	Individual Transaction	10/05/2017

All disclosures have been reviewed by the Executive Director or me, in our capacity as compliance officers. All disclosures were in compliance with policy requirements. Disclosures will be filed in the appropriate personnel file and copies will be placed behind the corporate minutes of the next meeting.

If you have any questions, please call me at 796-1541.

d) Travel

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT:	Travel Report	ACTION:	______
DATE:	December 12, 2017	INFORMATION:	X

BACKGROUND:

This report includes APFC Board/staff completed travel for the period September 5, 2017 through November 15, 2017. The travel report is presented to the Board of Trustees for review at each board meeting as required by APFC Resolution 04-10.

BOARD MEMBERS	TRAVEL PERIOD	DESTINATION
WILLIAM MORAN, Chair		
Audit committee meeting and budget work session	09/06 – 09/08	Anchorage
Board of Trustees meeting	09/26 – 09/28	Juneau
CARL BRADY, Vice Chair		
Board of Trustees meeting	09/26 – 09/28	Juneau
JERRY BURNETT, Acting Commissioner		
Audit committee meeting and budget work session	09/06 – 09/07	Anchorage
LARRY CASH, Trustee		
Board of Trustees meeting	09/26 – 09/28	Juneau
SHELDON FISHER, Trustee		
Board of Trustees meeting	09/26 – 09/28	Juneau
MARTY RUTHERFORD, Trustee		
Board of Trustees meeting	09/26 – 09/28	Juneau
STAFF		
ANGELA RODELL, Chief Executive Officer		
Audit committee meeting and budget work session	09/06 – 09/08	Anchorage
Meet with Chris Hughes and Commissioner Fisher	09/14	Anchorage
Speak at Western Interstate Child Support Enforcement Council annual conference and meet with McKinley Capital	09/25	Anchorage
Speak at Financial Officers Foundation annual meeting; Meet with Robbins Geller and KKR	10/03 – 10/05	Coeur d'Alene, ID
Attend Vista annual meeting; speak at Sovereign Wealth Funds; manager meetings	10/23 – 10/27	New York
Testify to Senate Finance	11/01	Anchorage
Attend ARMB education conference	11/06 – 11/11	New York
Speak at Commonwealth North annual luncheon	11/14	Anchorage
LAURA ACHEE, Director of Operations		
Audit committee meeting and budget work session	09/07	Anchorage
TIMOTHY ANDREYKA, Senior Real Estate Portfolio Manager		
Macerich quarterly meeting	09/06 – 09/17	Chicago
SCOTT BALOVICH, Senior Network Systems Administrator		
NetApp training	09/17 – 09/23	San Jose, CA

JARED BRIMBERRY, Portfolio Manager – Private Markets

Attend Albourne annual meeting; Attend EnCap annual meetings	10/15 – 10/24	Santa Monica, CA; Irving, TX

TRAVIS BROWN, Senior Associate of Private Equities – Special Opportunities

Due diligence	09/04 – 09/08	New York
Due diligence	09/20 – 09/26	New York; Boston

BEN CHANG, Senior Associate – Private Markets

Attend Agecroft conference; Opal Group endowment and foundation forum	11/01 – 11/09	New York; Boston

CHRIS CUMMINS, Senior Portfolio Manager – Fixed Income

Manager meetings	09/19 – 09/26	New York; Boston

ROSEMARIE DURAN, Director Investments – Real Estate

Macerich quarterly meeting	09/06 – 09/08	Chicago

MARCUS FRAMPTON, Director of Investments – Private Markets

Generate board meeting and manager meetings	10/13 – 10/17	San Diego
Attend GlobalARC hedge fund conference; manager meetings	10/23 – 10/27	Boston
Attend LS Power and Winton annual meetings, manager meetings and due diligence	11/06 – 11/12	New York

YUP KIM, Senior Portfolio Manager – Special Opportunities

Due diligence	09/08 – 09/12	Los Angeles; San Francisco
Due diligence, speak on Super Return Asia panel, KKR Asia conference	09/22 – 10/07	Hong Kong
Due diligence; attend Spectrum and Centerbridge annual meetings; attend Institutional limited Partners Association (ILPA) GP summit	10/16 – 11/13	Boston; New York

VALERIA MARTINEZ, Director of Investments – Risk Management

Manager search selection	09/20 – 09/22	San Francisco
BNY Mellon Risk CAB meeting	10/24 – 10/27	Pittsburgh

ROBIN MASON, Chief Technology Officer

Audit committee meeting and budget work session	09/06 – 09/08	Anchorage
Attend Global Knowledge Cisco training	10/22 – 10/28	San Jose, CA

VALERIE MERTZ, Chief Financial Officer

Audit committee meeting and budget work session	09/06 – 09/07	Anchorage

STEPHEN MOSELEY, Director of Investments – Private Equities & Special Opportunities

ILPA board meeting, Whitehorse Liquidity annual meeting; due diligence	09/17 – 09/25	Toronto, Canada; New York
Attend Incline Aviation annual meeting	10/11 – 10/12	Seattle
Blackstone annual advisory board meeting; Due diligence	10/18 – 10/25	New York; Dublin

CHRIS POAG, General Counsel

Audit committee meeting and budget work session	09/06 – 09/07	Anchorage
Attend ARMB education conference	11/07 – 11/13	New York

FAWAD RAZZAQUE, Director of Public Equities

Manager meetings	09/10 – 09/16	New York
Manager meetings	10/01 – 10/08	London

RUSSELL READ, Chief Investments Officer

Audit committee meeting and budget work session	09/06 – 09/08	Anchorage
Wyoming State Treasurer's conference	09/12 – 09/18	Saddlestring, WY
White House infrastructure investment seminar	09/19 – 09/22	Washington D.C.
Attend KKR CIO symposium; Manager meetings	09/30 – 10/06	Washington D.C.; New York
Meet with NIPPON Life B-ARD Chair	10/31 – 11/01	Seattle

JOHN SEAGREN, Controller

Attend Fair Value training for accountants	11/13 – 11/15	San Diego

MASHA SKURATOVSKAYA, Senior Portfolio Manager – Fixed Income

Attend CFA fixed income conference, visit trade desks	10/10 – 10/13	Boston

KATHERYN SMITH, Compliance & Performance Analyst

Attend PMAR West conference	10/17 – 10/19	Los Angeles

PAULYN SWANSON, Communications Manager

Audit committee meeting and budget work session	09/06 – 09/08	Anchorage

JACOB VANDERVEST, Executive & Board Admin. Specialist

Audit committee meeting and budget work session	09/06 – 09/07	Anchorage

e) Due Diligence Log

from 7/1/2017 to 9/30/2017

Manager Due Diligence Log

The due diligence activities undertaken by APFC on-site and off-site are listed below. Conference calls were included if a product was substantially reviewed or previewed during the course of the call.

Date of Visit	APFC Staff	Broker, Manager, Consultant	Individuals Visiting/Visited	Topic	Location
12-Jul-17	Brimberry	Chenavari Credit Partners	Josh Leventhal	Discuss private credit fund opportunities	Conference Call
20-Jul-17	Brimberry	Thoma Bravo	Jennifer James	Discuss private credit fund opportunities	Conference Call
20-Jul-17	Brimberry	Balyasny Asset Management	Rich Arbucci	Discuss hedge fund strategy	Conference Call
27-Jul-17	Brimberry	Varde Partners	Eric Perry	Discuss private credit fund opportunities	Conference Call
27-Jul-17	Brimberry	M2O Private Advisors	Peggy Marshall	Discuss Pathlight private credit opportunity	Conference Call
3-Aug-17	Brimberry	Pathlight	Dan Platt, David Stoner	Discuss private credit fund opportunity	Conference Call
10-Aug-17	Brimberry	Apollo Capital Management	Jim Zelter	Discuss credit opportunities	Juneau
17-Aug-17	Brimberry	American Homes 4 Rent II	Paul Ishkhanian	Update and Market Discussion	Conference Call
21-Aug-17	Brimberry	Arrowmark Partners	Chris Dunne	Discuss private credit fund opportunity	Juneau
22-Aug-17	Brimberry	Kayne Anderson	Jon Eanes, Ken Leonard, Matt Wilkinson, Doug Goodwillie	Discuss private credit fund opportunities	Juneau
22-Aug-17	Brimberry	Pathway Capital	Vince Dee	Discuss Monroe Capital fund opportunity	Conference Call
30-Aug-17	Brimberry	HPS Investment Management	Philip Cothern	Discuss private credit fund opportunities	Conference Call
11-Sep-17	Brimberry	Pathlight	Daniel Platt, Mark Twoomey, Katie Hendricks	Due Diligence on private credit opportunity	Juneau
18-Sep-17	Brimberry	IPM Systematic Macro	Patrik Blomdahl, Tara Skinner	Fund and Market Update Discussion	Juneau
25-Sep-17	Brimberry	DoubleLine Capital	Barbara Ziegler	Discuss credit opportunities	Conference Call
6-Jul-17	Chang	TIG Associates	Drew Figdor	Update call for potential HF investment	Conference Call
12-Jul-17	Chang	Caxton	Kelly Griffin	Update call for potential HF investment	Conference Call
18-Jul-17	Chang	Key Square	Mike Germino	Introductory call for potential HF investment	Conference Call
2-Aug-17	Chang	Crestline Summit	Phil Harris	Quarterly update call on hedge fund investment	Conference Call
16-Aug-17	Chang	Deer Park Road	Michael Steinberg, Scott Gibson, Brad Craig	Introductory call for potential HF investment	Conference Call
23-Aug-17	Chang	HHMI	Shirley West	Reference call for Malta Market Neutral	Conference Call
24-Aug-17	Chang	TAG Associates	Jeff Tumolo	Reference call for Malta Market Neutral	Conference Call
30-Aug-17	Chang	Maltese Capital	Amanda Rice	Update call regarding potential HF investment	Conference Call
11-Sep-17	Chang	Weiss Asset Management	Mark Lewand	Update call on potential HF investment	Conference Call
20-Sep-17	Chang	Twin Capital	Kevin Gahwyler	Update call on potential HF investment	Conference Call
9/20/2017	Chris Cummins	MUFG	Ellen Tang, Dave Cannon, Mike McCarthy, John Lantz, etc.	ABS, Specified MBS Pool Markets	NYC
9/20/2017	Chris Cummins	Brean Capital	Scott Cooper, Robert Tirshwell	MBS, and Rate Markets	NYC
9/21/2017	Chris Cummins	Credit Suisse	Brad Marvin, Mike Angelides	CMBS and MBS Markets	NYC
9/21/2017	Chris Cummins	Margan Stanley	Brian Barry, Mike Ortiz	MBS Quant Research	NYC
9/22/2017	Chris Cummins	Lloyds Securities	Keith Tamayo, Parker Russell, Thomas Oh, Ben Tuffnell	New Isssue ABS Markets	NYC
9/25/2017	Chris Cummins	AEW	Candida Hoebericht, Matt Troxell and team	APFC REIT portfolio	Boston
7/21/2017	Diouf	Herndon	Mondrell Moore	Client Visit	Juneau, AK
8/8/2017	Diouf	Macquarie (ex Delaware)	Skip Corkran	Client Visit	juneau, AK
8/22/2017	Diouf, Ninkov, Martinez	DFA	Joe Young	Client Visit	Juneau, AK
5-Jul-17	Frampton	NordLB	Sondra Martinez, Nicolai Dillow	Discuss infrastructure lending	Conference Call
6-Jul-17	Frampton	Pathway Capital	Jason Jenkins	Discuss InfraRed Infrastructure Opportunity	Conference Call
7-Jul-17	Frampton	Actis	Patricia Grad	Discuss emerging market infrastructure	Conference Call
10-Jul-17	Frampton	Fund Evaluation Group	Sean McChesney	Discuss hedge fund marketplace	Conference Call
10-Jul-17	Frampton	Haidar Jupiter Fund	Said Haidar	Introduction to Haidar macro hedge fund	Conference Call
12-Jul-17	Frampton	Brooklands Capital	Yeatts Anderson	Discuss direct investment landscape	Conference Call
13-Jul-17	Frampton	Colorado PERA	Tom Meirink	Reference call on hedge fund manager	Conference Call
13-Jul-17	Frampton	John Hancock	Matthew Fedors	Discuss infrastructure market	Conference Call
13-Jul-17	Frampton	Activate Capital	Raj Atlaru	Reference call on infrastructure direct investment	Conference Call

13-Jul-17	Frampton	Societe Generale	Kristin Scherer	Discuss hedge fund marketplace	Juneau
17-Jul-17	Frampton	Alliant	John Rains	Discuss Director E&O Insurance	Conference Call
19-Jul-17	Frampton	Macquarie Capital	Sean Fitzgerald	Discuss private market direct investment opportunities	Conference Call
20-Jul-17	Frampton	Fortress	Michael George	Private Market landscape discussion	Conference Call
31-Jul-17	Frampton	Blackstone	Mike Sotihros	Discuss Blackstone Infrastructure	Conference Call
1-Aug-17	Frampton	Morgan Stanley	Greg Best	Discuss India Infrastructure Market	Conference Call
1-Aug-17	Frampton	Shelter Haven	Jerry Kochanski	Introduction to hedge fund strategy	Conference Call
2-Aug-17	Frampton	Luminus Management	Marisa Chuliver	Discuss hedge fund strategy	Conference Call
3-Aug-17	Frampton	GIP	Jim Jenkins	Infrastructure co-investment opportunity	Conference Call
9-Aug-17	Frampton	GIC (Singapore)	Liu Rui, Geraldine Lor, Richard Liang	Discussion of Private Credit Opportunity	Conference Call
10-Aug-17	Frampton	Stone Peak Infrastructure	Trent Vichie	Fund and Market Update Discussion	Conference Call
10-Aug-17	Frampton	BCIMC	Lincoln Webb	Discuss infrastructure market	Conference Call
11-Aug-17	Frampton	TCW Sepulveda	Will Lloyd	Fund and Market Update Discussion	Conference Call
14-Aug-17	Frampton	OCP Asia	Stu Wilson	Fund and Market Update Discussion	Conference Call
15-Aug-17	Frampton	Winton	Nick Smith	Fund and Market Update Discussion	Conference Call
16-Aug-17	Frampton	Two Sigma	Chris Busby	Fund and Market Update Discussion	Conference Call
21-Aug-17	Frampton	Twin Creek Timber	Bill Turner	Update on Timber investment	Conference Call
23-Aug-17	Frampton	CIM	Michael Hoverman	Fund and Market Update Discussion	Juneau
23-Aug-17	Frampton	Goldman Sachs	Peter Kelly	Reference call on infrastructure investment	Conference Call
24-Aug-17	Frampton	Stepstone	Tim Rees	Infrastructure reference call	Conference Call
25-Aug-17	Frampton	John Hancock	Matthew Fedors	Discuss infrastructure market	Conference Call
30-Aug-17	Frampton	Generate Capital	Matan Friedman	Discuss financial model and Q2 results	Conference Call
7-Sep-17	Frampton	Wells Fargo	Lyndsay Wegman	Private Markets Discussion	Juneau
26-Sep-17	Frampton	InfraRed Capital	Sandra Lowe, James Hall-Smith	Fund and Market Update Discussion	Conference Call
26-Sep-17	Frampton	Stepstone	Todd Lapenna	Stepstone co-invested with APFC in Generate deal	Conference Call
28-Sep-17	Frampton	Corsair	Hari Rajan, Tom Dempsey	Portfolio Review	Juneau
29-Sep-17	Frampton	Generate Capital	Judy Bornstein	Review Financial Reporting	Conference Call
5-Jul-17	Frampton, Brimberry	CS Capital	Mike McHargue, Joe Spicer	Discuss AMH II investment	Conference Call
11-Jul-17	Frampton, Brimberry	CS Capital	Mike McHargue, Joe Spicer	Discuss AMH II investment	Conference Call
19-Jul-17	Frampton, Brimberry	Pathway Capital	Vince Dee	Private Credit Pipeline Discussion	Conference Call
24-Jul-17	Frampton, Brimberry	Sphere	Harrison Choi	Discuss ESCO market in Korea	Conference Call
25-Jul-17	Frampton, Brimberry	Pavilion	Danny Fuller	Due Diligence Update on Infra Direct Investment	Conference Call
27-Jul-17	Frampton, Brimberry	Patria Infrastructure	Scott Goldchain	Discuss Brazilian Infrastructure	Juneau
31-Jul-17	Frampton, Brimberry	Evercore	Scott Brand	Discuss Private Market Opportunities	Conference Call
31-Jul-17	Frampton, Brimberry	LS Power	Emily Simonis	Fund and Market Update Discussion	Conference Call
2-Aug-17	Frampton, Brimberry	Pathway Capital	Jason Jenkins, Alex Casbolt, Stefan Goettl	Discuss Alchemy Private Credit Fund	Conference Call
8-Aug-17	Frampton, Brimberry	Pavilion	Raelan Lambert, Phil Cote	Discussion of due diligence status on infra investment	Conference Call
10-Aug-17	Frampton, Brimberry	Actis	Patricia Grad	Discuss EM Real Assets direct opportunity	Conference Call
10-Aug-17	Frampton, Brimberry	Morgan Stanley	Greg Best, Raja Parthasarathy, Shyam Gurumoorthy	Discuss India Infrastructure Market	Juneau
10-Aug-17	Frampton, Brimberry	KKR Infrastructure	Dan McLaughlin, Brandon Freiman	Discuss KKR Infrastructure Fundraising	Juneau
14-Aug-17	Frampton, Brimberry	InfraRed Capital	James Hall-Smith, Sebastien Pochon	Fund and Market Update Discussion	Conference Call
15-Aug-17	Frampton, Brimberry	GoldenTree Asset Management	Joe Naggar, Laurie Katz	Private Credit Discussion	Juneau
23-Aug-17	Frampton, Brimberry	Sheppard Mullin	Jason Jones, Steve LaSala	Discussion of direct investment financing documents	Conference Call
24-Aug-17	Frampton, Brimberry	Generate Capital	Scott Jacobs, Matan Friedman	Due Diligence Review on in-process investment	Juneau
28-Aug-17	Frampton, Brimberry	Pathway Capital	Jason Jenkins, Canyon Lew, Derrek Ransford	Debrief on infrastructure co-investment opportunity	Conference Call
30-Aug-17	Frampton, Brimberry	GIP	Antoine Kerrenneur	Update on Co-investment Opportunity	Conference Call
6-Sep-17	Frampton, Brimberry	GIP	Jennifer Powers, Reiner Boehning, Jim Jenkins	Update on CAPS Platform	Juneau
7-Sep-17	Frampton, Brimberry	Pathway Capital	Vince Dee, John Ruggieri	Private Credit Pipeline Discussion	Conference Call

7-Sep-17	Frampton, Brimberry	Mariner	Jamie Silver, Diane Priolo, Chris Munson	Portfolio Update Call	Conference Call
14-Sep-17	Frampton, Brimberry	GIP	Michael McGee	Discuss TIL Direct Investment	Conference Call
19-Sep-17	Frampton, Brimberry	TPG Credit	Brian D'Arcy	Fund and Market Update Discussion	Conference Call
20-Sep-17	Frampton, Brimberry	Pathway Capital	Jason Jenkins	Update call on infrastructure co-investment	Conference Call
22-Sep-17	Frampton, Brimberry	Colchis Capital	Bob Conrads, Charles Ruffels	Discussion of consumer lending	Juneau
27-Sep-17	Frampton, Brimberry	GIP	Antoine Kerrenneur	Update on Co-investment Opportunity	Conference Call
29-Sep-17	Frampton, Brimberry	Pathway Capital	Jason Jenkins, Jeff Buress, Brandon Young	Infrastructure Pipeline Review	Conference Call
7-Jul-17	Frampton, Brimberry, Chang	Pavilion	Allen Waldrop, Danny Fuller, Phil Cote	Discuss infrastructure direct investment opportunity	Conference Call
17-Jul-17	Frampton, Brimberry, Chang	Winton	Ramyata Joshi	Quarterly update call on hedge fund investment	Conference Call
24-Jul-17	Frampton, Brimberry, Chang	Pharo Management	David Crosby	Pharo Hedge Fund investment update	Conference Call
26-Jul-17	Frampton, Brimberry, Chang	Albourne	James Hayward, Mike Halliwell	Due Diligence Call on Hedge Fund Investment	Conference Call
2-Aug-17	Frampton, Brimberry, Chang	Elliott Management	Jaime Hobbeheydar, Ashley Robinson	Discuss Co-Investment Opportunity	Conference Call
7-Aug-17	Frampton, Brimberry, Chang	Elliott Management	Jaime Hobbeheydar, Shishir Udani	Fund and Market Update Discussion	Juneau
10-Aug-17	Frampton, Brimberry, Chang	Kynikos Associates	Jim Chanos, Brian Nichols	Fund and Market Update Discussion	Conference Call
15-Aug-17	Frampton, Brimberry, Chang	Crestline	Doug Bratton, Keith Williams, Caroline Cooley	Quarterly Portfolio Review	Conference Call
15-Aug-17	Frampton, Brimberry, Chang	Maltese Capital	Amanda Rice, Joe Hall	Fund and Market Update Discussion	Juneau
16-Aug-17	Frampton, Brimberry, Chang	Milennium Management	Rick Kohly	Fund and Market Update Discussion	Juneau
17-Aug-17	Frampton, Brimberry, Chang	Albourne	Jinal Patel, Lincoln Smith, James Hayward	Due Diligence Review on in-process HF investment	Conference Call
17-Aug-17	Frampton, Brimberry, Chang	Kynikos Associates	Jim Chanos, Brian Nichols	Discuss Co-Investment Opportunity	Conference Call
22-Aug-17	Frampton, Brimberry, Chang	Albourne	Chris Meinke, James Hayward	Due Diligence Review on in-process HF investment	Conference Call
23-Aug-17	Frampton, Brimberry, Chang, Martinez	Two Sigma	Chris Busby, Nobel Gulati	Fund and Market Update Discussion	Juneau
12-Sep-17	Frampton, Brimberry, Chang	Morgan Stanley Infrastructure	Markus Hottenrott	Fund and Market Update Discussion	Conference Call
12-Sep-17	Frampton, Brimberry, Chang	Pavilion	Phil Cote	Discuss India Infrastructure Market	Conference Call
19-Jul-17	Frampton, Brimberry, Chang, CP	Sheppard Mullin	Tom Devaney	Discuss IPM Hedge Fund documents	Conference Call
2-Aug-17	Frampton, Brimberry, Chang, CP	Generate Capital	Scott Jacob, Matan Friedman	Discuss infrastructure investment	Conference Call
9-Aug-17	Frampton, Brimberry, Chang, CP	Generate Capital	Scott Jacobs, Matan Friedman	Discuss infrastructure investment	Conference Call
11-Aug-17	Frampton, Brimberry, Chang, CP	Generate Capital	Scott Jacobs, Matan Friedman	Discuss infrastructure investment	Conference Call
14-Aug-17	Frampton, Brimberry, Chang, CP	Generate Capital	Scott Jacobs, Matan Friedman	Discuss infrastructure investment	Conference Call
14-Aug-17	Frampton, Brimberry, CP	Sheppard Mullin	Steve LaSala	Discuss infrastructure direct investment	Conference Call
15-Aug-17	Frampton, Brimberry, CP	Sheppard Mullin	Paul Kaufman, Jason Jones, Steve LaSala	Legal Due Diligence review on direct investment	Conference Call
28-Aug-17	Frampton, Brimberry, cP	Sheppard Mullin	Paul Kaufman, Jason Jones, Steve LaSala	Legal Due Diligence review on direct investment	Conference Call
1-Sep-17	Frampton, Brimberry, CP	Sheppard Mullin	Paul Kaufman, Jason Jones, Steve LaSala	Legal Due Diligence review on direct investment	Conference Call
8-Sep-17	Frampton, Brimberry, CP	Cox Castle	Amy Wells	Discuss Legal on Timber Investment	Conference Call
11-Sep-17	Frampton, Brimberry, CP	Twin Creeks Timber	Bob Ratliffe, LeAnne Kolb, Warren Clemens	Discuss Timber Follow-on Investment	Conference Call
21-Jul-17	Frampton, Chang	Brooklands Capital	Yeatts Anderson	Discuss direct investment opportunities	Conference Call
17-Aug-17	Frampton, Chang	Digital Colony	Tom Yanagi	Discuss telecom infrastructure opportunity	Juneau
20-Jul-17	Frampton, Chang, CP	Sheppard Mullin	Steve LaSala	Review term sheet on direct investment	Conference Call
17-Jul-17	Frampton, CP	Sheppard Mullin	Steve LaSala	Review term sheet on direct investment	Conference Call
12-Jul-17	Framtpon, Brimberry, Chang	Generate Capital	Scott Jacob, Matan Friedman	Review Financial Models	Conference Call
8/3/2017	Jim Parise	BlackRock	Ron Allen	ETF Trading	Juneau
9/29/2017	Jim Parise, Matt Olmsted	Capital Group	Portfolio Managers	High Yield, Emerging Markets	Juneau
7/11/2017	Jim Parise, Matt Olmsted, Chris Cummins, Tom O'Day, Masha Skuratovskaya	BlackRock	Laila Mirsepassi	BlackRock Aladdin	Juneau
7/26/2017	Jim Parise, Matt Olmsted, Chris Cummins, Tom O'Day, Masha Skuratovskaya	Cutter Associates	Shankar, Ed, Dave	Go-Live event	Juneau
7/11/2017	Kim	Kelso	Senior mgmt	Direct opportunity	conf call

7/21/2017	Kim	Vir Bio	Senior mgmt	Direct opportunity	conf call
7/22/2017	Kim	Denali	Senior mgmt	Direct opportunity	conf call
7/23/2017	Kim	DCM	Senior mgmt	Fund opportunity	conf call
7/27/2017	Kim	SendGrid	Senior mgmt	Direct opportunity	conf call
7/27/2017	Kim	Thoma Bravo	Senior mgmt	Fund opportunity	conf call
7/18/2017	Kim	Pavilion	Senior mgmt	Fund opportunity	conf call
7/18/2017	Masha Skuratovskaya	BONY	Chris Foti	FX Trading	Juneau
8/11/2017	Matt Olmsted	Capital Group	Michael Bowman	Cash Management	Juneau
7/5/2017	Moseley	Goldman Sachs	Senior mgmt	Liquidity	conf call
7/5/2017	Moseley	BC Partners	Senior mgmt	Fund status and co-investments	conf call
7/5/2017	Moseley	Leonard Greene	Senior mgmt	Fund status and ops	conf call
7/6/2017	Moseley	Wafra	Senior mgmt	Constellation	conf call
7/6/2017	Moseley	Crestline	Senior mgmt	Shipping deal	conf call
7/6/2017	Moseley	ESG	Senior mgmt	Direct opportunity	conf call
7/6/2017	Moseley	Benefit Street	Senior mgmt	Fund opportunity	conf call
7/7/2017	Moseley	Goldman Sachs	Senior mgmt	Liquidity	conf call
7/10/2017	Moseley	Coller Capital	Senior mgmt	Fund opportunity	conf call
7/10/2017	Moseley	H.I.G.	Senior mgmt	Funds/Direct	conf call
7/11/2017	Moseley	Cross Ocean	Senior mgmt	Fund opportunity	conf call
7/12/2017	Moseley	Wafra	Senior mgmt	Constellation	conf call
7/12/2017	Moseley	Hycroft Advisors	Senior mgmt	Fund opportunity	conf call
7/13/2017	Moseley	Pavillion	Senior mgmt	Fund opportunity	conf call
7/13/2017	Moseley	Altitude	Senior mgmt	Fund opportunity	conf call
7/17/2017	Moseley	Jeffries	Senior mgmt	Direct opportunity	conf call
7/17/2017	Moseley	Tigress	Senior mgmt	Fund opportunity	conf call
7/17/2017	Moseley	KKR	Senior mgmt	Direct opportunity	conf call
7/17/2017	Moseley	Vista	Senior mgmt	Funds/Direct	conf call
7/18/2017	Moseley	Crestline	Senior mgmt	Direct opportunity	conf call
7/19/2017	Moseley	Wafra	Senior mgmt	Constellation	conf call
7/20/2017	Moseley	Denali	Senior mgmt	Direct opportunity	conf call
7/20/2017	Moseley	Miner Partners	Senior mgmt	Fund opportunity	conf call
7/21/2017	Moseley	Goldman Sachs	Senior mgmt	Fund opportunity	conf call
7/24/2017	Moseley	Kelso	Senior mgmt	Direct opportunity	conf call
7/25/2017	Moseley	Blackstone	Senior mgmt	Fund opportunity	conf call
7/26/2017	Moseley	Anacap Financial	Senior mgmt	Fund opportunity	conf call
7/27/2017	Moseley	IIR/FIRCAP	Senior mgmt	Strategic opportunity	conf call
7/28/2017	Moseley	Wafra	Senior mgmt	Constellation	conf call
7/31/2017	Moseley	Wafra	Senior mgmt	Constellation	Juneau
7/6/2017	Moseley, Kim	Abraaj	Senior mgmt	Fund opportunity	conf call
7/6/2017	Moseley, Kim	Indigo Ag	Senior mgmt	Direct opportunity	conf call
7/6/2017	Moseley, Kim	CDH	Senior mgmt	Fund opportunity	conf call
7/10/2017	Moseley, Kim	Indigo Ag	Senior mgmt	Direct opportunity	conf call
7/11/2017	Moseley, Kim	Tenaya	Senior mgmt	Fund opportunity	Juneau
7/11/2017	Moseley, Kim	HIG Advantage	Senior mgmt	Fund opportunity	conf call
7/12/2017	Moseley, Kim	BSCH	Senior mgmt	Fund opportunity	conf call
7/13/2017	Moseley, Kim	Spectrum	Senior mgmt	Fund opportunity	conf call
7/13/2017	Moseley, Kim	Solus	Senior mgmt	Fund opportunity	Juneau
7/14/2017	Moseley, Kim	Pathway	Senior mgmt	Fund opportunity	conf call
7/17/2017	Moseley, Kim	Pathway	Senior mgmt	Fund opportunity	conf call
7/17/2017	Moseley, Kim	Vestar	Senior mgmt	Fund opportunity	conf call
7/18/2017	Moseley, Kim	Crestview Partners	Senior mgmt	Fund opportunity	conf call
7/18/2017	Moseley, Kim	TCV	Senior mgmt	Fund opportunity	conf call
7/18/2017	Moseley, Kim	Kelso	Senior mgmt	Fund opportunity	conf call
7/20/2017	Moseley, Kim	Codiak	Senior mgmt	Direct opportunity	conf call
7/27/2017	Moseley, Kim	Indigo Ag	Senior mgmt	Direct opportunity	conf call
7/17/2017	Ninkov	INTECH	Bret Young, Jim McHugh	Strategy Review	Juneau, AK

8/4/2017	Ninkov	Ashmore EM	John Ricketts, Fernando Assad	Strategy Review	Juneau, AK
7/13/2017	Ninkov, Diouf	SKBA	Josh Rothe, Andy Bischel	Client Visit	Juneau, AK
7/6/2017	Razzaque	Richard Bernstein Advisors	Investment team	Strategy Review	conference call
7/24/2017	Razzaque	Jennison	Investment team	Quarterly review	conference call
7/24/2017	Razzaque	RBC	Investment team	Quarterly review	conference call
7/25/2017	Razzaque	Lyrical	Investment team	Quarterly review	conference call
7/25/2017	Razzaque	Schroders	Investment team	Quarterly review	conference call
7/26/2017	Razzaque	William Blair	Investment team	Quarterly review	conference call
7/28/2017	Razzaque	LSV	Investment team	Quarterly review	conference call
8/1/2017	Razzaque	EXAVEST	Investment team	Strategy Review	Montreal, Quebec
8/7/2017	Razzaque	Johnston	Investment team	Quarterly review	conference call
8/7/2017	Razzaque	DSM	Investment team	Quarterly review	conference call
8/8/2017	Razzaque	JP Morgan International	Investment team	Quarterly review	conference call
8/9/2017	Razzaque	Herndon	Investment team	Quarterly review	conference call
8/9/2017	Razzaque	CastleArk	Investment team	Quarterly review	conference call
8/10/2017	Razzaque	T.Rowe	Investment team	Quarterly review	conference call
8/11/2017	Razzaque	SSgA (ex GE) US Growth	Investment team	Quarterly review	conference call
8/11/2017	Razzaque	Wells China	Investment team	Quarterly review	conference call
8/14/2017	Razzaque	Lazard	Investment team	Quarterly review	conference call
8/14/2017	Razzaque	DFA	Investment team	Quarterly review	conference call
8/15/2017	Razzaque	JP Morgan EM	Investment team	Quarterly review	conference call
8/16/2017	Razzaque	SSgA (exGE) World xUS	Investment team	Quarterly review	conference call
8/17/2017	Razzaque	Macquarie (ex Delaware)	Investment team	Quarterly review	conference call
8/18/2017	Razzaque	Eagle	Investment team	Quarterly review	conference call
8/21/2017	Razzaque	Pzena	Investment team	Quarterly review	conference call
8/21/2017	Razzaque	Trustbridge	Investment team	Quarterly review	conference call
8/22/2017	Razzaque	McKinley	Investment team	Quarterly review	conference call
8/23/2017	Razzaque	AGI	Investment team	Quarterly review	conference call
8/23/2017	Razzaque	SKBA	Investment team	Quarterly review	conference call
8/24/2017	Razzaque	Mondrian	Investment team	Quarterly review	conference call
9/5/2017	Razzaque	AQR	Investment team	Quarterly review	conference call
9/8/2017	Razzaque	Acadian	Investment team	Organizational Update	conference call
9/15/2017	Razzaque	Jennison	Investment team	Strategy Review	New York, NY
9/15/2017	Razzaque	AGI	Investment team	Strategy Review	New York, NY
9/29/2017	Razzaque	Mondrian	Investment team	Strategy Review	London, Englan
7/26/2017	Razzaque, Diouf	Lee Munder	Gordon Jophnson, Jenna Oliver	Quarterly review	Juneau, AK
8/10/2017	Razzaque, Read	McKinley Capital	Investment team	Strategy Review	conference call
9/11/2017	Tom O'Day, Masha Skuratovskaya	Rogge	Melody L. McDonald	Portfolio Update	Juneau
9/20/2017	Tom O'Day, Masha Skuratovskaya	Franklin Templeton	Brian Zeiler, Katie Klingensmith	EM Manager Intro	Juneau
8/29/2017	Tom O'Day, Matt Olmsted	S&P	Roby Muntoni, Jason Giordano, Jeff Harding	Indexes	Juneau
8/1/2017	Moseley	Rosemark	Senior mgmt	Fund opportunity	conf call
8/1/2017	Moseley	FBR	Senior mgmt	Fund opportunity	conf call
8/1/2017	Moseley	H&F	Senior mgmt	Direct opportunity	conf call
8/1/2017	Moseley	Riverstone	Senior mgmt	Direct opportunity	conf call
8/2/2017	Moseley, Kim	Indigo Ag	Senior mgmt	Direct opportunity	conf call
8/3/2017	Kim	Clearlake	Senior mgmt	Direct opportunity	conf call
8/4/2017	Moseley, Kim	Crestline	Senior mgmt	Direct opportunity	conf call
8/8/2017	Moseley	Constellation	Senior mgmt	Direct opportunity	conf call
8/15/2017	Moseley	Constellation	Senior mgmt	Direct opportunity	conf call
8/21/2017	Kim	MSD	Senior mgmt	Direct opportunity	conf call
8/21/2017	Moseley	Albourne	Senior mgmt	Fund opportunity	conf call
8/22/2017	Moseley	Indigo Ag	Senior mgmt	Direct opportunity	conf call
8/22/2017	Moseley	Denali	Senior mgmt	Direct opportunity	conf call
8/24/2017	Moseley	Stablebeam	Senior mgmt	Direct opportunity	conf call

8/24/2017	Moseley, Kim	Crestline	Senior mgmt	Direct opportunity	conf call
8/25/2017	Moseley, Kim	Albourne	Senior mgmt	Fund opportunity	conf call
8/28/2017	Moseley, Brown	RailPen	Senior mgmt	Direct opportunity	London
8/29/2017	Moseley, Brown	Constellation	Senior mgmt	Direct opportunity	London
8/29/2017	Moseley	REP	Senior mgmt	Fund opportunity	conf call
8/30/2017	Moseley, Brown	H&F	Senior mgmt	Direct opportunity	London
8/30/2017	Moseley, Brown	Novalpina	Senior mgmt	Fund opportunity	London
9/1/2017	Moseley	Indigo Ag	Senior mgmt	Direct opportunity	conf call
9/1/2017	Moseley	Arch Ventures	Senior mgmt	Direct opportunity	conf call
9/1/2017	Moseley	Acalyx	Senior mgmt	Fund opportunity	conf call
9/6/2017	Moseley, Kim	NGP	Senior mgmt	Fund opportunity	Juneau, AK
9/7/2017	Moseley	Benefit Street	Senior mgmt	Fund opportunity	Conf call
9/7/2017	Moseley	Wells Fargo	Senior mgmt	Fund opportunity	Conf call
9/8/2017	Moseley	Denali	Senior mgmt	Direct opportunity	Conf call
9/8/2017	Moseley	Indigo Ag	Senior mgmt	Fund opportunity	Conf call
9/11/2017	Moseley, Brown	H&F	Senior mgmt	Direct opportunity	Conf call
9/11/2017	Moseley	M2O	Senior mgmt	Fund opportunity	Conf call
9/14/2017	Moseley	Rapid Partners	Senior mgmt	Direct opportunity	Conf call
9/14/2017	Moseley	Wafra	Senior mgmt	Direct opportunity	Conf call
9/15/2017	Moseley	JP Morgan	Senior mgmt	Direct opportunity	Conf call
9/15/2017	Moseley	Codiak	Senior mgmt	Direct opportunity	Conf call
9/18/2017	Moseley	Crestline	Senior mgmt	Direct opportunity	Conf call
9/19/2017	Moseley	Whitehorse	Senior mgmt	Fund opportunity	Conf call
9/19/2017	Moseley, Kim	Codiak	Senior mgmt	Direct opportunity	Conf call
9/20/2017	Moseley	H&F	Senior mgmt	Fund opportunity	Conf call
9/20/2017	Moseley, Brown	Wafra	Senior mgmt	Fund opportunity	Conf call
9/21/2017	Moseley	TCV	Senior mgmt	Fund opportunity	Conf call
9/21/2017	Moseley, Brown	Sentinel	Senior mgmt	Fund opportunity	Conf call
9/21/2017	Moseley, Brown	Wells Fargo	Senior mgmt	Direct opportunity	Conf call
9/22/2017	Moseley	BlackRock	Senior mgmt	Direct opportunity	Conf call
9/22/2017	Moseley	Kelso	Senior mgmt	Direct opportunity	Conf call
9/26/2017	Moseley	Crowley	Senior mgmt	Direct opportunity	Conf call
9/27/2017	Moseley	KKR Asia	Senior mgmt	Fund opportunity	Conf call
9/27/2017	Moseley	Denali	Senior mgmt	Fund opportunity	Juneau
9/27/2017	Moseley	Arch Ventures	Senior mgmt	Fund opportunity	Juneau
9/11/2017	O'Day, Skuratovskaya	Allianz/Rogge	Melody L. McDonald, Julius LeBeron, John Makowske	Portfolio Update	Juneau
9/20/2017	O'Day, Skuratovskaya	Franklin Templeton	Brian Zeiler, Katie Klingensmith	EM Manager Intro	Juneau
7/18/2017	O'Day, Skuratovskaya	BONY Mellon	Chris Foti	FX trading	Juneau
8/9/2017	Skuratovskaya	Capital Group	Michael Bowman, Greg Garrett, Bon Neithart	EM Portfolio Review	Conference Call
7/19/2017	Martinez	Adrian Lee & Partners	Senior mgmt	FX Hedging	Conference Call
7/20/2017	Martinez	Goldman Sachs Asset Management	Portfolio Managers	Portfolio Update	Conference Call
8/2/2017	Martinez	BlackRock	Jarosch Maximilian	Reporting, Risk Analytics Model	Conference Call
8/4/2017	Martinez	Dimensional Fund Advisors	Joe Young	Portfolio and Product Discussion	Conference Call
8/7/2017	Martinez	Wellington	Adam Berger, Akin Greville	Fund opportunity	Juneau
8/11/2017	Martinez	Bridgewater/Albourne	Senior mgmt, Lincoln Smith	Transparrency Requirements	Conference Call
8/11/2017	Martinez	AQR/Albourne	Elizabeth Gurthrie, Liz Yan, Iwan Djanali, Lincoln Smith	Transparrency Requirements	Conference Call
8/14/2017	Martinez	Adrian Lee & Partners	Adrian Lee and senior mgmt	Initial Program Planning	Conference Call
8/15/2017	Martinez	GSAM/Albourne	Senior mgmt, Lincoln Smith	Transparrency Requirements	Conference Call
8/24/2017	Martinez	GSAM	Senior mgmt	Portfolio Review	Conference Call
8/31/2017	Martinez, Mertz, Poag, Lavalle	Adrian Lee & Partners	Senior mgmt	Initial Program Operational Logistics	Conference Call
9/6/2017	Martinez, Lapierre	Thomson Reuters	Melina Sosa, Devon Reichelt, David Depeltau, Mikael Schvarz	Product Review	Conference Call
9/13/2017	Martinez, Mertz	BNY Mellon	Anna Pencoglu	Sec Lending and Repo Agreement	Conference Call
9/18/2017	Martinez, Lapierre	Thomson Reuters	Melina Sosa, Devon Reichelt, David Depeltau, Mikael Schvarz	Product Review	Conference Call
9/19/2017	Martinez, Mertz, Poag, Skuratovskaya	BNY Mellon	Anna Pencoglu	Reverse Repo Counterparty	Conference Call

9/21/2017	Martinez	Callan, Nisa	Bo Abesamis, Greg Allen, Senior mgmt	Liquidity Overlay	San Francisco
9/21/2017	Martinez	Callan Parametric	Bo Abesamis, Greg Allen, Senior mgmt	Liquidity Overlay	San Francisco
9/21/2017	Martinez	Callan, State Street	Bo Abesamis, Greg Allen, Senior mgmt	Liquidity Overlay	San Francisco
7/7/2017	Andreyka, Grussendorf, Emberton	L&B	L&B	Property Update	Conference Call
7/6-13/17	Andreyka	Sentinel, Debt Manager Finalist	Senior Management, Debt Manager Finalist	Debt Manager Due Diligence, Property Visit, M	Chicago, New York
7/10-13/17	Duran	Sentinel, Debt Manager Finalist	Senior Management, Debt Manager Finalist	Debt Manager Due Diligence, Property Visit, M	Chicago, New York
7/17/2017	Andreyka, Grussendorf, Emberton	L&B	L&B	Portfolio Update	Conference Call
7/22/17 - 8/1/17	Duran, Andreyka	LaSalle UK, CBRE Global Investors, Immochan	Senior Management	Property Inspection, Portfolio Review, Market Update, Partner Meeting	London, Lisbon, Alacante, Madrid
7/27/2017	Grussendorf, Emberton	Sentinel	Sentinel	Portfolio Update	Conference Call
8/7/2017	Duran, Andreyka, Grussendorf, Emberton	Midway Co.	Midway Co.	Property and Market Update	Juneau
8/10/2017	Andreyka, Grussendorf, Emberton	L&B	L&B	Portfolio Update	Conference Call
8/26-29/17	Duran, Andreyka	CSCM, SHLP	Senior Management	Quarterly Meeting	Denver
8/29/2017	Grussendorf, Emberton	Sentinel	Sentinel	Portfolio Update	Conference Call
9/6-8/17	Duran, Andreyka	Macerich, L&B	Senior Management	Quarterly Partner Meeting	Chicago
9/7/2017	Grussendorf, Emberton	CSCM	CSCM	RE Investment Management System	Conference Call
9/12/2017	Grussendorf, Emberton	Sentinel	Sentinel	RE Investment Management System	Conference Call
9/14/2017	Grussendorf, Emberton	Sentinel	Sentinel	RE Investment Management System	Conference Call
9/18/2017	Andreyka, Grussendorf, Emberton	L&B	L&B	Portfolio Update	Conference Call
9/20/2017	Andreyka, Grussendorf, Emberton	Sentinel	Sentinel	Portfolio Update	Conference Call

f) Staff Education & Training

ALASKA PERMANENT FUND CORPORATION

	EMPLOYEE	DEPT	TRAINING TYPE*	VENDOR	COURSE TITLE	CLASS HOURS	CITY	ST
1	Katherine Smith	Finance	OL	BlackRock	Life of a Compliance Violation (Classes 1-6)	6.0	Juneau	AK
2	Valeria Buschfort	Finance	OTT	ILPA	ILPA Institute Level 1 - Intro to Private Equity	24.0	Chicago	IL
3	Jane Sherbrooke	Finance	OL	Becker/NASBA	CPA Exam – REG Section			AK
4	Jane Sherbrooke	Finance	OL	Becker/NASBA	CPA Exam – AUD Section			AK

CS	- Conferences & Seminars
LT	- Local Training
OTT	- Out of Town Training
OL	- Online

Ju

Communications

SUBJECT: Communications ACTION:

DATE: 12/12/2017 INFORMATION: X

Communications
APFC's brand overhaul has been furthered with the launch of the redesigned apfc.org website in November. The website is an integral part of APFC's cohesive professional brand, designed to convey our mission to Alaska stakeholders and align with our global standing.

The brand refresh was implemented to address identified challenges and to ensure that: 1) APFC is recognized as an entity separate from the Permanent Fund Dividend Division; 2) APFC's diverse audiences are effectually reached to support successful stewardship of the Fund; and 3) the APFC brand resonates with stakeholders and fortifies APFC's mission. Unified communications elements are now incorporated in APFC's: website, presentations, email-signatures, stationary, business cards, social media and reports.

Presentations – Discussions - Interviews
Angela Rodell, Chief Executive Officer, talked about the history, governance, investment structure, and performance of the Alaska Permanent Fund Corporation and the Alaska Permanent Fund during the following:

September 2017

- Alaska Mental Health Trust Authority, Board of Trustees Meeting - Presentation
- Alaska Women Lead - Discussion
- KTOO in Juneau, Alaska's Energy Desk, Rasha McChesney – Interview
- US Ambassador to Mongolia, Ms. Jennifer Galt – Briefing
- Western Interstate Child Support Council Conference – Women in Leadership Panel Participant
- Juneau Empire, James Brooks – Interview

October 2017

- State Finance Officers Foundation – Panel Participant: Opportunistic Fixed Income Investments in Rising Rate Environments
- Alaska Dispatch News, Alex Demarban – Interview
- KVOK in Kenai – Radio Interview
- KINY Action Line in Juneau – Radio Interview

November 2017

- Alaska State Legislature, Senate Finance Committee – Presentation
- Top 1000 Funds, Sarah Rundell - Interview
- Pensions & Investments, Meaghan Kilroy – Interview
- Commonwealth North – Alaska's Asset Review – Presentation

Financial Report

ALASKA PERMANENT FUND CORPORATION

Financial Report
September 30, 2017

Fiscal Year 2017 Net Assets

Balances through September 30, 2017 *(in millions)*

Total assets	$62,387.6
Less liabilities	($844.2)
Net assets	$61,543.4
Fund Balances:	
Nonspendable	
Permanent Fund corpus—contributions and appropriations	$39,897.8
Not in spendable form—unrealized appreciation on invested assets	$8,244.0
Total nonspendable fund balance	$48,141.8
Committed	
Current FY dividend	$ -
Current FY inflation proofing	$694.2
Current FY AK Capital Income Fund	$6.7
Committed fund balance	$700.9
Assigned for future appropriations	
Realized earnings	$10,405.8
Unrealized appreciation on invested assets	$2,294.9
Total assigned fund balance	$12,700.7
Total fund balances	$61,543.4

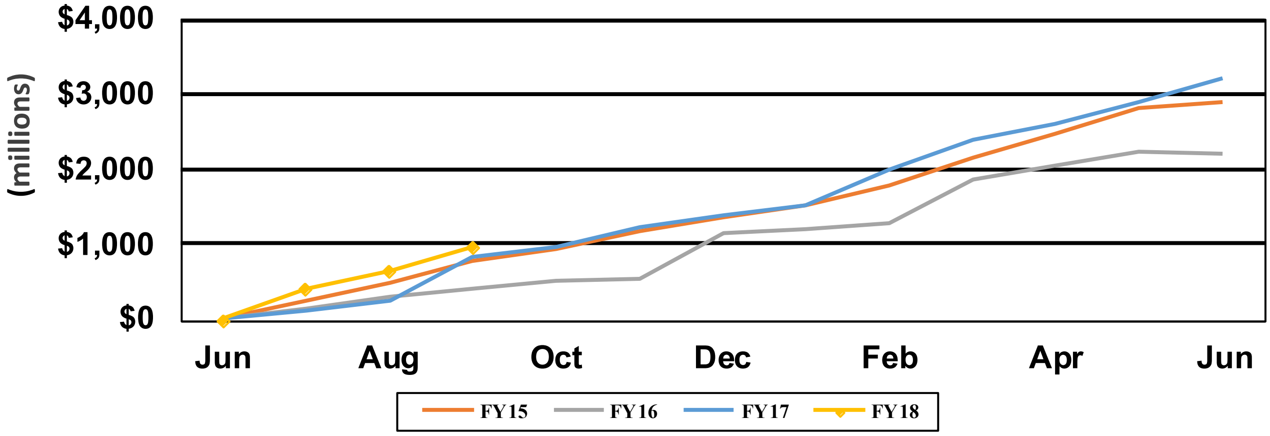
Fiscal Year 2017 Income

For the three months ending September 30, 2017 *(in millions)*

Statutory (Realized) Net Income	
Interest, dividends, real estate, and other income	$326.4
Realized gains on the sale of invested assets	$679.2
Less operating expenses/legislative appropriations	($36.2)
Alaska Capital Income Fund committed realized earnings	($6.7)
Statutory net income	$962.7

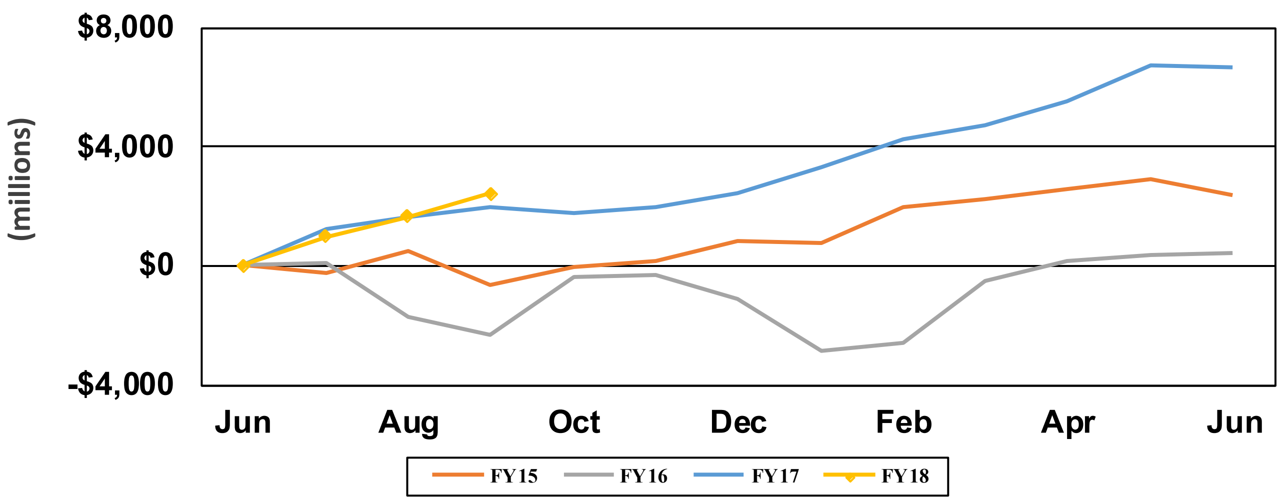
GAAP (Accounting) Net Income	
Statutory net income	$962.7
Unrealized gains on invested assets	$1,431.3
Alaska Capital Income Fund committed realized earnings	$6.7
Accounting net income	$2,400.7

Statutory Net Income, Fiscal Years 2015 - 2018



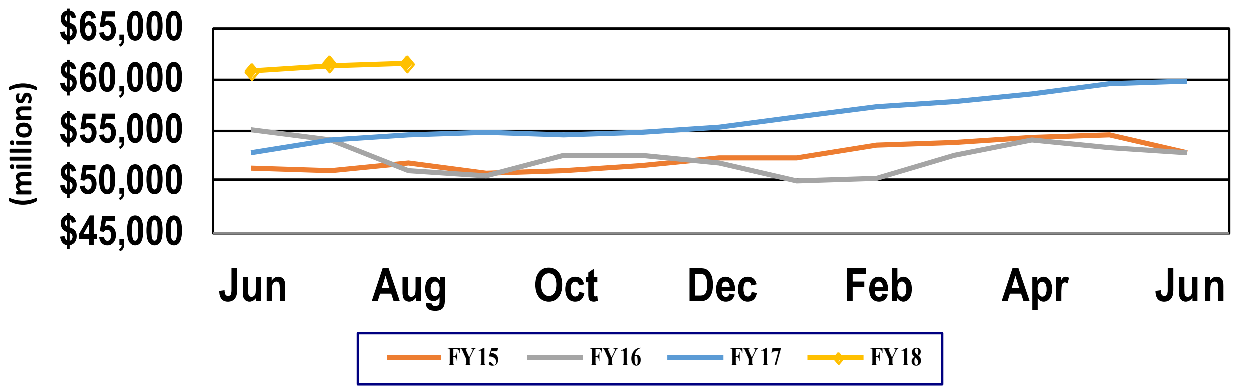
- Comprised of receipts from interest on fixed income, real estate rentals, stock dividends, and all realized gains and losses on the sales of invested assets, less AK Capital Income Fund committed amounts and operating expenses.
- FY15 statutory net income was $2,907.3 million.
- FY16 statutory net income was $2,198.2 million.
- FY17 statutory net income was $3,214.27 million.
- FY18 statutory net income through September 30th was $962.7 million.

GAAP Accounting Net Income (Loss), Fiscal Years 2015 - 2018



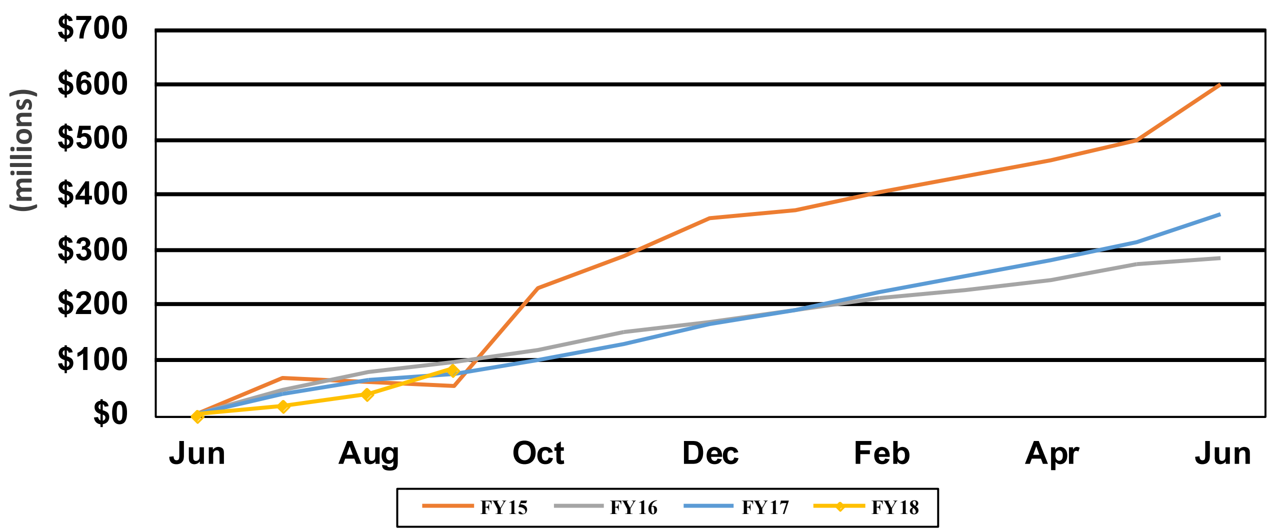
- Accounting net income is the same as statutory net income, except it includes unrealized gains and losses.
- Accounting net income for FY15 was $2.4 billion.
- Accounting net income for FY16 was $398.5 million.
- Accounting net income for FY17 was $6.7 billion.
- Accounting net income for FY18 through September 30th was $2,400.7 million.

Market Value of Fund Net Assets, Fiscal Years 2015 - 2018



- FY15 Fund net assets as of June 2015 were $52.8 billion, an increase of $1.6 billion over the FY14 ending balance.
- FY16 Fund net assets as of June 2016 were $52.8 billion, basically unchanged from the FY15 ending balance.
- FY17 net assets as of June 2017 were $59.8 billion, an increase of $7.0 billion over the FY16 ending balance.
- FY18 nets assets as of September 2017 were $61.5 billion, an increase of $1.7 billion over the FY17 ending balance.

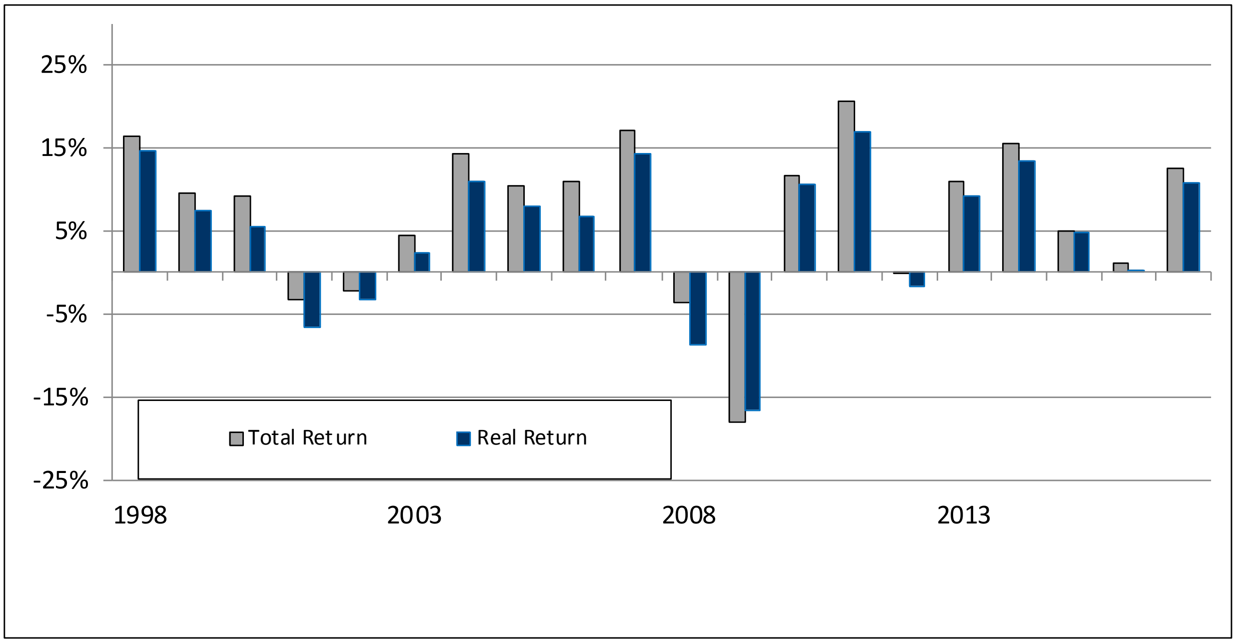
Dedicated Mineral Revenues, Fiscal Years 2015 - 2018



- FY15 mineral revenue was $600 million.
- FY16 mineral revenue was $284.5 million.
- FY17 mineral revenue was $364.9 million.

Alaska Permanent Fund Historical Returns, Fiscal Year 1998-2017

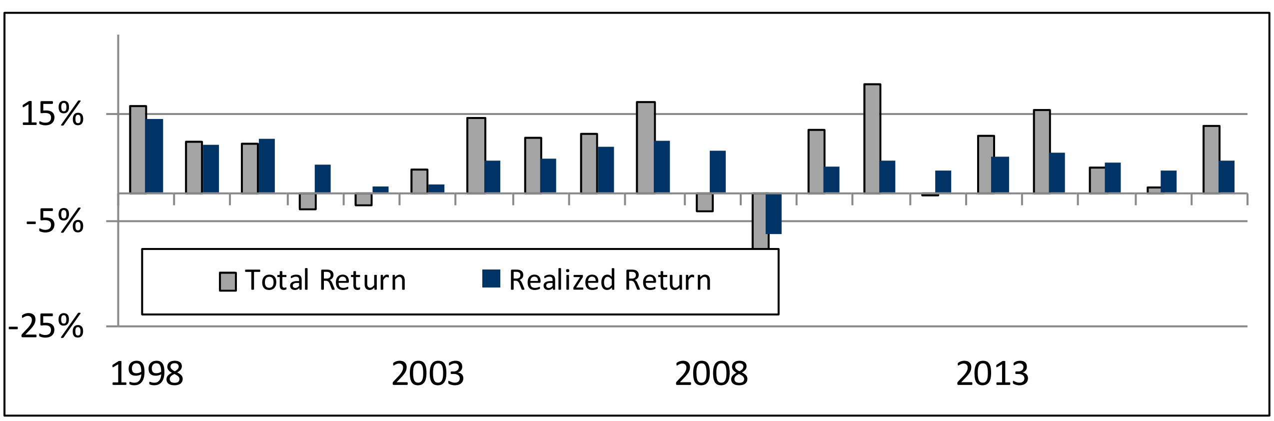
Total return minus inflation equals real return



Total return annualized over 33 years is 8.90%
Real return annualized over 33 years is 6.25%

Alaska Permanent Fund Historical Returns, Fiscal Year 1998-2017

Total return minus unrealized gains/losses equals realized return



Total return annualized over 33 years is 8.90%
Realized return annualized over 32 years is 7.49%

ALASKA PERMANENT FUND

Balance Sheets

Unaudited (millions of dollars)		September 30, 2017	June 30, 2017
Assets			
Cash and temporary investments	$	**1,862.0**	2,653.5
Receivables, prepaid expenses and other assets		**718.3**	544.8
Investments:			
Marketable debt securities		**10,612.0**	10,114.6
Preferred and common stock		**26,863.7**	25,354.4
Real estate		**6,859.7**	6,886.8
Absolute return		**4,583.6**	4,567.0
Public-private credit		**1,201.6**	1,111.8
Private equity		**7,127.1**	6,818.1
Infrastructure		**2,559.6**	2,458.3
Total investments		**59,807.3**	57,311.0
TOTAL ASSETS	$	**62,387.6**	60,509.3
Liabilities			
Accounts payable	$	**844.2**	699.1
Income distributable to the State of Alaska		**0.0**	25.1
TOTAL LIABILITIES		**844.2**	724.2
Fund Balances			
Nonspendable:			
Permanent Fund corpus - contributions and appropriations		**39,897.8**	39,814.3
Not in spendable form - unrealized appreciation on invested assets		**8,244.0**	7,155.3
Total nonspendable		**48,141.8**	46,969.6
Committed:			
Current FY dividend		**0.0**	0.0
Current FY inflation proofing		**694.2**	0.0
Current FY AK Capital Income Fund		**6.7**	0.0
Total committed		**700.9**	0.0
Assigned for future appropriations:			
Realized earnings		**10,405.8**	10,863.2
Unrealized appreciation on invested assets		**2,294.9**	1,952.3
Total assigned		**12,700.7**	12,815.5
TOTAL FUND BALANCES		**61,543.4**	**59,785.1**
TOTAL LIABILITIES AND FUND BALANCES	$	**62,387.6**	**60,509.3**

ALASKA PERMANENT FUND

Statements of Revenues, Expenditures and Changes in Fund Balances

Unaudited (millions of dollars)		Month ended September 30, **2017**	Three months ended September 30, **2017**	Fiscal year-end audited June 30, 2017
Revenues				
Interest	$	**30.5**	**92.0**	310.8
Dividends		**64.6**	**143.1**	563.0
Real estate and other income		**30.6**	**91.3**	380.3
Total interest, dividends, real estate and other income		**125.7**	**326.4**	1,254.1
Net increase (decrease) in the fair value of investments:				
Marketable debt securities		**(59.3)**	**64.7**	(62.5)
Preferred and common stock		**560.6**	**1,346.6**	4,125.6
Real estate		**(13.2)**	**31.7**	102.6
Absolute return		**34.8**	**109.8**	351.8
Public-private credit		**1.8**	**11.9**	85.3
Private equity		**50.0**	**420.9**	1,056.6
Infrastructure		**41.1**	**110.5**	259.2
Derivative Instruments		**18.2**	**5.5**	69.1
Currency		**(1.5)**	**8.9**	(436.4)
Total net increase (decrease) in investments		**632.5**	**2,110.5**	5,551.3
TOTAL REVENUES		**758.2**	**2,436.9**	6,805.4
Expenditures				
Operating expenditures		**(10.0)**	**(30.3)**	(121.2)
Other legislative appropriations		**0.0**	**(5.9)**	(8.6)
TOTAL EXPENDITURES		**(10.0)**	**(36.2)**	(129.8)
Excess (deficiency) of revenue over expenditures	$	**748.2**	**2,400.7**	6,675.6
Other Financing Sources (Uses)				
Transfers in		**46.2**	**83.6**	364.9
Transfers out		**(716.3)**	**(726.0)**	(25.1)
NET CHANGE IN FUND BALANCES		**78.1**	**1,758.3**	7,015.4
Fund Balances				
Beginning of period		**61,465.3**	**59,785.1**	52,769.7
End of period	**$**	**61,543.4**	**61,543.4**	59,785.1

Statutory Income Calculation				
Excess (deficiency) of revenues over (under) expenditures		**748.2**	**2,400.7**	6,675.6
Adjustments to bring net income to statutory net income:				
Unrealized (gains) losses		**(427.1)**	**(1,431.3)**	(3,436.3)
Alaska Capital Income Fund realized income		**(2.2)**	**(6.7)**	(25.1)
STATUTORY NET INCOME	$	**318.9**	**962.7**	3,214.2

ALASKA PERMANENT FUND

Receivables and Payables

Unaudited (millions of dollars)		September 30, 2017
Accounts Receivable		
Interest Receivable	$	88.4
Dividends Receivable		48.8
Foreign Exchange Contracts Receivable		0.0
Pending Sales Fixed Income		368.0
Pending Sales Equities		62.6
Pending Sales Alternative Investments		123.2
State Dedicated Revenues Receivable		26.1
Pending Sales Real Estate/REITs		1.2
Prepaid and Other Receivables		0.0
TOTAL RECEIVABLES	$	718.3
Accounts Payable		
Accrued Operating Payables	$	31.3
Pending Purchase Fixed Income		730.1
Pending Purchase Equities		62.9
Pending Purch. Alt. Investmnt		18.0
Pending Purchase Real Estate/REITs		1.9
TOTAL PAYABLES	$	844.2

APFC ALASKA PERMANENT FUND CORPORATION

ALASKA PERMANENT FUND
FUND FINANCIAL HISTORY & PROJECTIONS
as of September 30, 2017

Projections extend ten years, and are based on best available information ($ in millions)

	Nonspendable Fund Balance - Principal								Assigned Fund Balance											TOTAL FUND
						Unrealized Gain (Loss)					Distributions of Statutory Net Income				Unrealized Gain (Loss)					
FY	FY-Begin Contrib. Balance	Appro-priations [1]	Dedicated [2] State Revenues	Inflation Proofing	FY-End Balance Contributions	Net Change	FY-End Balance	FY-End Non-spendable Balance	Acct. Net Income [3]	Statutory Net Income [3]	Dividends	Inf-Proofing / Other [10]	Gen. Fund / Other [4]	FY-End Balance Realized	Net Change	FY-End Balance [5]	Net Assigned Change	FY-End Assigned Balance	FY	FY-End Balance
77-08	0	7,039	10,537	11,573	29,149	2,312	2,064	31,213	37,724	37,556	16,652	15,314	421	4,969	352	352	5,942	5,321	77-08	36,534
09	29,149	0	651	1,144	30,945	(3,513)	(1,449)	29,496	(6,394)	(2,509) [8]	875	1,144	0 [8]	441	(373)	(21)	(4,901)	420	09	29,917
10	30,944	0	679	0 [9]	31,624	1,869	421	32,045	3,517	1,590 [8]	858	0 [9]	0 [8]	1,194	37	16	790	1,210	10	33,255
11	31,624	0	887	533	33,044	4,367	4,788	37,832	6,812	2,143 [8]	801	533	13 [8]	2,016	276	292	1,098	2,308	11	40,140
12	33,044	0	915	1,073	35,033	(1,568)	3,220	38,253	(100)	1,568	605	1,073	17	1,905	(117)	175	(227)	2,081	12	40,333
13	35,033	0	840	743	36,615	964	4,184	40,800	4,314	2,928	604	743	30	3,487	392	567	1,973	4,054	13	44,853
14	36,615	0	779	546	37,941	2,878	7,062	45,002	6,848	3,531	1,235	546	32	5,237	408	975	2,158	6,211	14	51,214
15	37,941	0	600	624	39,165	(589)	6,473	45,638	2,384	2,907	1,373	624	24	6,147	41	1,016	951	7,162	15	52,800
16	39,165	0	284	0	39,449	(1,723)	4,750	44,199	398 [6]	2,198	696 [11]	0 [12]	18	7,649	(95)	921	1,408	8,570	16	52,769
17	39,449	0	365	0	39,814	2,405	7,155	46,969	6,676	3,214	0	0 [12]	25	10,864	1,031	1,952	4,246	12,816	17	59,785
Lo 18	39,814	0	348	1,452	41,613	(3,731)	3,424	45,038	(947)	3,690	726	1,452 [13]	27	12,376	(934)	1,018	579	13,395	18	58,432
Mid 18	39,814	0	348	1,452	41,613	(1,070)	6,086	47,699	3,316	4,393	726	1,452 [13]	32	13,079	(40)	1,913	2,175	14,991	18	62,690
Hi 18	39,814	0	348	1,452	41,613	1,335	8,490	50,103	7,507	5,244	726	1,452 [13]	38	13,930	890	2,842	3,956	16,772	18	66,876
19	41,613	0	366	945	42,924	(104)	5,982	48,906	3,963	3,955	1,750	945	28	14,339	85	1,998	1,346	16,337	19	65,243
20	42,924	0	392	975	44,291	(95)	5,886	50,177	4,127	4,119	1,877	975	28	15,606	76	2,074	1,343	17,680	20	67,857
21	44,291	0	412	1,006	45,709	(79)	5,807	51,515	4,294	4,286	2,097	1,006	28	16,790	59	2,133	1,243	18,922	21	70,438
22	45,709	0	420	1,038	47,167	(73)	5,733	52,900	4,458	4,452	2,226	1,038	28	17,977	52	2,185	1,240	20,163	22	73,062
23	47,167	0	419	1,071	48,656	(77)	5,656	54,312	4,625	4,619	2,250	1,071	28	19,276	55	2,241	1,354	21,517	23	75,829
24	48,656	0	428	1,104	50,188	(76)	5,580	55,768	4,801	4,796	2,339	1,104	28	20,629	53	2,294	1,406	22,922	24	78,691
25	50,188	0	453	1,139	51,781	(74)	5,506	57,287	4,984	4,980	2,429	1,139	28	22,040	50	2,344	1,462	24,384	25	81,671
26	51,781	0	477	1,176	53,434	(72)	5,434	58,868	5,174	5,171	2,522	1,176	28	23,514	48	2,391	1,521	25,905	26	84,773
27	53,434	0	493	1,213	55,141	(71)	5,363	60,504	5,372	5,370	2,618	1,213	28	25,053	45	2,437	1,584	27,489	27	87,993
28	55,141	0	443	1,251	56,835	(72)	5,291	62,126	5,576	5,574	2,719	1,251	28	26,657	45	2,482	1,650	29,139	28	91,266
Cumulative Totals Proj for 2018-2027		0	4,652	12,369		(1,864)			50,691	51,716	23,553	12,369	309		530		16,323			

Assumptions:		Total Return	- Inflation	= Total Real Return		Statutory Return
Lo	FY 2018	-1.38%	2.25%	-3.63%	Lo	6.40%
Mid	FY 2018 [6]	5.73%	2.25%	3.48%	Mid	7.58%
Hi	FY 2018	12.72%	2.25%	10.47%	Hi	9.01%
	FY 2019-2027 [7]	6.50%	2.25%	4.25%		6.53%

Income year-to-date as of September 30, 2017

FY18 Statutory net income		
Interest, dividends, real estate & other income	$	326.4
Realized gains (losses) on the sale of invested assets		679.2
Less operating exp / Legis. Appropriations		(36.2)
Less AK Capital Inc. Fund committed realized earnings		(6.7)
Statutory net income (loss)	$	962.7

FY18 Accounting (GAAP) net income		
Statutory net income (loss)	$	962.7
Unrealized gains (losses) on invested assets		1,431.3
AK Capital Income Fund committed realized earnings		6.7
Accounting (GAAP) net income (loss)	$	2,400.7

Notes related to financial history and projections FY1977 - FY2027:

(1) Appropriations include special general fund, realized earnings, and other miscellaneous appropriation transfers into principal.

(2) Dedicated State Revenues in current and future fiscal years are based on the Spring 2017 Department of Revenue forecast.

(3) Accounting net income is based on United States Generally Accepted Accounting Principles (GAAP). Statutory net income is accounting net income, excluding any unrealized gains and losses on investments, and excluding earnings of the Alaska Capital Income Fund (AM Hess, et al principal).

(4) FY05 and forward, Amerada Hess, et al. annual net positive settlement earnings are transferred to Alaska Capital Income Fund (ACIF) per AS 37.13.145(d).

(5) Beginning in FY08, based on legal opinion, unrealized gains and losses were allocated between the nonspendable fund balance (principal) and the assigned fund balance (earnings reserve). Prior to FY08, all unrealized gains and losses were included with principal.

(6) Current year returns and inflation are based on 2016 Callan capital market assumptions.

(7) Future returns are based on 2016 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.

(8) During FY 2009, the ACIF realized losses of $33.3 million, which are excluded from statutory net income, and are included in the ending unreserved balance as a deficit account. During FY 2010 and FY 2011, the ACIF had realized income of $20.8 and $25.3 million, which is excluded from statutory net income, and served to reduce the FY 2009 deficit.

(9) The statutory inflation calculation for FY 2010 was -.36%; therefore, there was no inflation proofing transfer during FY 2010.

(10) FY77-08 includes special appropriations to principal of $3.7 billion.

(11) The dividend transfer reported for FY16 was paid out in dividends during FY17.

(12) There was no appropriation for inflation proofing for FY16 and FY17.

(13) Current year inflation proofing includes unfunded amounts from prior years.

Cash Flow

ALASKA PERMANENT FUND CORPORATION

Board of Trustees - APFC Cash Transfers - July 1 to September 30, 2017

Type of Transfer	July	August	September	Total
ADMINISTRATIVE TOTAL	(18,135,890)	(13,155,256)	(670,547,295)	(701,838,441)
PUBLIC EQUITIES TOTAL	(316,574,490)	319,340,600	951,403	3,717,512
FIXED INCOME PLUS TOTAL	(407,827,261)	1,399,598	433,432	(405,994,231)
PRIVATE EQUITY & GROWTH OPPORTUNITIES TOTAL	225,180,432	(70,618,728)	(38,925,249)	115,636,455
REAL ESTATE TOTAL	8,143,390	93,865,069	21,668,285	123,676,744
INFR., PRIVATE CREDIT & INCOME OPPORTUNITIES TOTAL	58,513,609	(21,390,668)	(50,847,882)	(13,724,941)
ABSOLUTE RETURN TOTAL	38,960,170	24,925,566	(4,456,441)	59,429,294
Total value of cash/stock transfers	(411,740,040)	334,366,181	(741,723,749)	(819,097,608)

Footnote: Total denotes the net value of the cash/stock transfers from and to APFC.

APFC Cash Transfers - July 2017

Date	Type of Transfer	Amount	Source	Destination
	ADMINISTRATIVE SUBTOTAL	**(18,135,890)**		
Various	Transfer in - Mineral revenue	**32,179,103**	Department of Natural Resources	Internal Cash account
7/5/2017	Transfer in - AIM STIF Interest	**2,063,013**	Bank of NY Mellon	Internal Cash account
7/25/2017	Transfer in - Commission Recapture proceeds	**32,729**	Bank of NY Mellon	Internal Cash account
7/24/2017	Transfer in - Class Actions	**1,336**	Class action proceeds	Internal Cash account
7/3/2017	Transfer out - 2017 Permanent Fund Dividend Funding	**(9,640,000)**	Internal Cash account	Bank of NY Mellon
7/31/2017	Transfer out - FY17 Alaska Capital Income Fund Earnings	**(25,066,961)**	Internal Cash account	Department of Revenue
7/31/2017	Transfer out - FY18 Appropriation to DNR Mining, Land, Water, Oil, & G	**(5,959,400)**	Internal Cash account	Department of Natural Resources
Various	Transfer out - Corporate Expenses	**(11,745,711)**	Internal Cash account	FNBA, Department of Revenue
	PUBLIC EQUITIES SUBTOTAL	**(316,574,490)**		
	GLOBAL EQUITIES			
7/28/2017	**In House Tactical Tilts account increase**	**(318,000,000)**	Internal Cash account	In House Tactical Tilts Account
	PUBLIC EQUITY SEC LENDING			
7/17/2017	**Public Equity Sec Lending account decrease**	**1,425,510**	Public Equity Sec Lending Account	Internal Cash account
	FIXED INCOME PLUS SUBTOTAL	**(407,827,261)**		
	FIXED INCOME PLUS CASH			
Various	**Fixed Income Sec Lending account decrease**	**630,121**	Fixed Income Sec Lending Account	Internal Cash account
Various	**APF Fixed Income Plus Cash account increase**	**(238,638,849)**	Internal Cash account	APF Fixed Income Plus Cash Account
	US FIXED INCOME AGGREGATE			
Various	**APF Fixed Income - Aggregate account decrease**	**149,411,024**	APF Fixed Income - Aggregate Account	Internal Cash account
	US INVESTMENT GRADE CORPORATE			
7/19/2017	**US Investment Grade Corporate account increase**	**(170,000,000)**	Internal Cash account	US Investment Grade Corporate Account
	NON US FIXED INCOME			
Various	**In House Global Government Bonds account increase**	**(39,000,000)**	Internal Cash account	In House Global Government Bonds Account
	GLOBAL HIGH YIELD			
Various	**APF High Yield account increase**	**(79,264,832)**	Internal Cash account	APF High Yield Account
	EMERGING MARKET DEBT			
Various	**APF Emerging Market Debt account increase**	**(31,048,319)**	Internal Cash account	APF Emerging Market Debt Account
	REITS			
7/5/2017	**American Homes 4 Rent account decrease**	**83,595**	American Homes 4 Rent Account	Internal Cash account
	PRIVATE EQUITY & GROWTH OPPORTUNITIES SUBTOTAL	**225,180,432**		
	PRIVATE EQUITY			
Various	**Private Equity distributions**	**64,757,171**	Private Equity	Internal Cash account
Various	**Private Equity capital calls**	**(44,357,119)**	Internal Cash account	Private Equity
	GROWTH OPPORTUNITIES			
Various	**Growth Opportunities distributions**	**222,745,429**	Growth Opportunities	Internal Cash account
Various	**Growth Opportunities capital calls**	**(17,965,049)**	Internal Cash account	Growth Opportunities
	REAL ESTATE SUBTOTAL	**8,143,390**		
Various	**Real Estate distributions**	**8,216,753**	Real Estate	Internal Cash account
Various	**Real Estate capital calls**	**(73,363)**	Internal Cash account	Real Estate
	INFR., PRIVATE CREDIT & INCOME OPPORTUNITIES SUBTOTAL	**58,513,609**		
	INFRASTRUCTURE			
Various	**Infrastructure distributions**	**63,402,650**	Infrastructure	Internal Cash account
Various	**Infrastructure capital calls**	**(13,325,725)**	Internal Cash account	Infrastructure
	PUBLIC/PRIVATE CREDIT			
Various	**Public/Private Credit distributions**	**10,704,100**	Public/Private Credit	Internal Cash account
Various	**Public/Private Credit capital calls**	**(2,320,000)**	Internal Cash account	Public/Private Credit
	INCOME OPPORTUNITIES			
Various	**Income Opportunities distributions**	**52,584**	Income Opportunities	Internal Cash account
	ABSOLUTE RETURN SUBTOTAL	**38,960,170**		
Various	**Absolute Return distributions**	**198,960,170**	Absolute Return	Internal Cash account
Various	**Absolute Return capital calls**	**(160,000,000)**	Internal Cash account	Absolute Return
	Total value of cash/stock transfers	**(411,740,040)**		

Footnote: Total denotes the net value of the cash/stock transfers from and to APFC.

APFC Cash Transfers - August 2017

Date	Type of Transfer	Amount	Source	Destination
	ADMINISTRATIVE SUBTOTAL	(13,155,256)		
Various	Transfer in - Mineral revenue	**20,957,174**	Department of Natural Resources	Internal Cash account
Various	Transfer in - AIM STIF Interest	**508,546**	Bank of NY Mellon	Internal Cash account
8/16/2017	Transfer in - Commission Recapture proceeds	**28,378**	Bank of NY Mellon	Internal Cash account
Various	Transfer in - Securities Lending Income	**110,691**	Bank of NY Mellon	Internal Cash account
Various	Transfer in - Class Actions	**26,447**	Class action proceeds	Internal Cash account
8/31/2017	Transfer out - Alaska Mental Health Trust Withdrawal	**(20,613,000)**	Internal Cash account	Wells Fargo Bank
Various	Transfer out - Corporate Expenses	**(14,173,492)**	Internal Cash account	FNBA, Department of Revenue
	PUBLIC EQUITIES SUBTOTAL	319,340,600		
	GLOBAL EQUITIES			
8/4/2017	**In House Tactical Tilts account decrease**	**318,000,000**	In House Tactical Tilts Account	Internal Cash account
	PUBLIC EQUITY SEC LENDING			
8/31/2017	**Public Equity Sec Lending account decrease**	**1,340,600**	Public Equity Sec Lending Account	Internal Cash account
	FIXED INCOME PLUS SUBTOTAL	1,399,598		
	FIXED INCOME PLUS CASH			
Various	**Fixed Income Sec Lending account decrease**	**544,585**	Fixed Income Sec Lending Account	Internal Cash account
	US FIXED INCOME AGGREGATE			
Various	**APF Fixed Income - Aggregate account decrease**	**855,014**	APF Fixed Income - Aggregate Account	Internal Cash account
	PRIVATE EQUITY & GROWTH OPPORTUNITIES SUBTOTAL	(70,618,728)		
	PRIVATE EQUITY			
Various	**Private Equity distributions**	**23,177,907**	Private Equity	Internal Cash account
Various	**Private Equity capital calls**	**(83,426,784)**	Internal Cash account	Private Equity
	GROWTH OPPORTUNITIES			
Various	**Growth Opportunities distributions**	**7,549,186**	Growth Opportunities	Internal Cash account
Various	**Growth Opportunities capital calls**	**(17,919,037)**	Internal Cash account	Growth Opportunities
	REAL ESTATE SUBTOTAL	93,865,069		
Various	**Real Estate distributions**	**94,682,099**	Real Estate	Internal Cash account
Various	**Real Estate capital calls**	**(817,029)**	Internal Cash account	Real Estate
	INFR., PRIVATE CREDIT & INCOME OPPORTUNITIES SUBTOTAL	(21,390,668)		
	INFRASTRUCTURE			
Various	**Infrastructure distributions**	**380,394**	Infrastructure	Internal Cash account
Various	**Infrastructure capital calls**	**(26,438,716)**	Internal Cash account	Infrastructure
	PUBLIC/PRIVATE CREDIT			
Various	**Public/Private Credit distributions**	**4,796,242**	Public/Private Credit	Internal Cash account
	INCOME OPPORTUNITIES			
Various	**Income Opportunities distributions**	**800,000**	Income Opportunities	Internal Cash account
Various	**Income Opportunities capital calls**	**(928,589)**	Internal Cash account	Income Opportunities
	ABSOLUTE RETURN SUBTOTAL	24,925,566		
Various	**Absolute Return distributions**	**64,925,566**	Absolute Return	Internal Cash account
Various	**Absolute Return capital calls**	**(40,000,000)**	Internal Cash account	Absolute Return
	Total value of cash/stock transfers	**334,366,181**		

Footnote: Total denotes the net value of the cash/stock transfers from and to APFC.

APFC Cash Transfers - September 2017

Date	Type of Transfer	Amount	Source	Destination
	ADMINISTRATIVE SUBTOTAL	**(670,547,295)**		
Various	Transfer in - Mineral revenue	**46,293,055**	Department of Natural Resources	Internal Cash account
9/5/2017	Transfer in - AIM STIF Interest	**800,565**	Bank of NY Mellon	Internal Cash account
9/20/2017	Transfer in - Commission Recapture proceeds	**54,278**	Bank of NY Mellon	Internal Cash account
9/15/2017	Transfer in - Securities Lending Income	**78,429**	Bank of NY Mellon	Internal Cash account
Various	Transfer in - Class Actions	**3,924**	Class action proceeds	Internal Cash account
9/17/2017	Transfer out - 2017 Permanent Fund Dividend Funding	**(716,310,000)**	Internal Cash account	Bank of NY Mellon
Various	Transfer out - Corporate Expenses	**(1,467,546)**	Internal Cash account	FNBA, Department of Revenue
	PUBLIC EQUITIES SUBTOTAL	**951,403**		
	GLOBAL EQUITIES			
Various	**APF Tactical Tilts account increase**	**(255,000)**	Internal Cash account	APF Tactical Tilts Account
	PUBLIC EQUITY SEC LENDING			
9/21/2017	**Public Equity Sec Lending account decrease**	**1,206,346**	Public Equity Sec Lending Account	Internal Cash account
	FIXED INCOME PLUS SUBTOTAL	**433,432**		
	FIXED INCOME PLUS CASH			
Various	**Fixed Income Sec Lending account decrease**	**433,699**	Fixed Income Sec Lending Account	Internal Cash account
	US FIXED INCOME AGGREGATE			
Various	**APF Fixed Income - Aggregate account increase**	**(287)**	Internal Cash account	APF Fixed Income - Aggregate Account
	PRIVATE EQUITY & GROWTH OPPORTUNITIES SUBTOTAL	**(38,925,249)**		
	PRIVATE EQUITY			
Various	**Private Equity distributions**	**57,623,485**	Private Equity	Internal Cash account
Various	**Private Equity capital calls**	**(63,466,544)**	Internal Cash account	Private Equity
	GROWTH OPPORTUNITIES			
Various	**Growth Opportunities distributions**	**31,124,261**	Growth Opportunities	Internal Cash account
Various	**Growth Opportunities capital calls**	**(64,206,450)**	Internal Cash account	Growth Opportunities
	REAL ESTATE SUBTOTAL	**21,668,285**		
Various	**Real Estate distributions**	**23,159,514**	Real Estate	Internal Cash account
Various	**Real Estate capital calls**	**(1,491,229)**	Internal Cash account	Real Estate
	INFR., PRIVATE CREDIT & INCOME OPPORTUNITIES SUBTOTAL	**(50,847,882)**		
	INFRASTRUCTURE			
Various	**Infrastructure distributions**	**23,428,526**	Infrastructure	Internal Cash account
Various	**Infrastructure capital calls**	**(27,889,175)**	Internal Cash account	Infrastructure
	PUBLIC/PRIVATE CREDIT			
Various	**Public/Private Credit distributions**	**8,723,481**	Public/Private Credit	Internal Cash account
Various	**Public/Private Credit capital calls**	**(20,110,716)**	Internal Cash account	Public/Private Credit
	INCOME OPPORTUNITIES			
Various	**Income Opportunities capital calls**	**(35,000,000)**	Internal Cash account	Income Opportunities
	ABSOLUTE RETURN SUBTOTAL	**(4,456,441)**		
Various	**Absolute Return distributions**	**20,543,559**	Absolute Return	Internal Cash account
Various	**Absolute Return capital calls**	**(25,000,000)**	Internal Cash account	Absolute Return
	Total value of cash/stock transfers	**(741,723,749)**		

Footnote: Total denotes the net value of the cash/stock transfers from and to APFC.

Monthly Performance Report

APFC ALASKA PERMANENT FUND CORPORATION

Board of Trustees - Monthly Performance Report - September 30, 2017

All returns are annualized (for periods greater than one year), gross of fees (before fees) unless otherwise noted, and provided by Callan Associates, Inc.

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Market Values as of 9/30/2017*	Returns as of 9/30/2017						
			1 Month	3 Month	FYTD (3 Months)	CYTD (9 Months)	1 Year (12 Months)	3 Years (36 Months)	5 Years (60 months)
1	**TOTAL FUND ●**	**62,049,330,828**	**1.48%**	**4.15%**	**4.15%**	**11.53%**	**12.84%**	**7.91%**	**8.78%**
2	Passive Index Benchmark[1] ●		1.03%	3.79%	3.79%	12.19%	10.56%	5.64%	6.84%
3	Performance Benchmark[2] ●		1.06%	3.54%	3.54%	10.75%	11.65%	6.55%	7.84%
4	Total Fund Return Objective[3]		0.91%	1.96%	1.96%	5.93%	7.23%	6.22%	6.30%
5	**PUBLIC EQUITIES**	**27,647,070,811**	**2.36%**	**5.87%**	**5.87%**	**18.55%**	**19.71%**	**7.81%**	**10.33%**
6	MSCI ACWI IMI		2.14%	5.32%	5.32%	17.24%	18.73%	7.72%	10.43%
7	**INTERNATIONAL EQUITIES**	**10,287,460,921**	**1.52%**	**6.89%**	**6.89%**	**23.95%**	**21.47%**	**5.97%**	**7.17%**
8	MSCI ACWI IMI EX-US		1.90%	6.27%	6.27%	21.47%	19.55%	5.16%	7.32%
9	**GLOBAL EQUITIES**	**9,857,037,651**	**2.41%**	**5.37%**	**5.37%**	**16.51%**	**18.49%**	**7.75%**	**11.21%**
10	MSCI ACWI IMI		2.14%	5.32%	5.32%	17.24%	18.73%	7.72%	10.43%
11	**DOMESTIC EQUITIES**	**7,502,565,716**	**3.47%**	**5.13%**	**5.13%**	**14.15%**	**19.38%**	**10.92%**	**14.62%**
12	RUSSELL 3000 INDEX		2.44%	4.57%	4.57%	13.91%	18.71%	10.74%	14.23%
13	**FIXED INCOME PLUS ◊†‡**	**12,511,330,992**	**-0.09%**	**1.52%**	**1.52%**	**5.27%**	**2.77%**	**3.83%**	**2.90%**
14	PUBLIC INCOME BENCHMARK[4]		-0.28%	1.26%	1.26%	4.68%	2.09%	3.95%	3.81%
15	**FIXED INCOME PLUS CASH**	**460,599,194**	**0.11%**	**0.40%**	**0.40%**	**0.82%**			
16	90 DAY T-BILLS		0.09%	0.26%	0.26%	0.57%			
17	**US FIXED INCOME AGGREGATE**	**3,348,116,519**	**-0.33%**	**0.91%**	**0.91%**	**3.23%**	**0.56%**	**2.87%**	
18	BC AGGREGATE		-0.48%	0.85%	0.85%	3.14%	0.07%	2.71%	
19	**US INVESTMENT GRADE CORPORATE**	**3,333,743,793**	**0.08%**	**1.54%**	**1.54%**	**5.56%**	**2.77%**	**4.82%**	**4.09%**
20	BC CORPORATE		-0.17%	1.34%	1.34%	5.19%	2.21%	4.10%	3.46%
21	**NON US FIXED INCOME**	**775,885,168**	**-0.55%**	**0.49%**	**0.49%**	**1.14%**	**-1.27%**	**3.23%**	**3.35%**
22	BC GLOBAL AGG EX-US		-0.50%	0.65%	0.65%	1.01%	-1.08%	3.50%	3.76%
23	**GLOBAL HIGH YIELD**	**1,247,774,743**	**0.87%**	**2.05%**	**2.05%**	**6.30%**	**8.19%**	**5.36%**	**5.85%**
24	BC US HIGH YIELD 2% ISSUER CAP		0.90%	1.98%	1.98%	7.00%	8.87%	5.84%	6.37%
25	**EMERGING MARKET DEBT**	**762,011,974**	**-0.03%**	**3.71%**	**3.71%**	**11.06%**	**7.41%**	**3.54%**	**2.49%**
26	BC EMD HARD CURRENCY AGG		0.05%	2.66%	2.66%	8.64%	5.09%	4.97%	4.20%
27	**TIPS**	**726,180,459**	**-0.65%**	**0.79%**	**0.79%**	**1.75%**	**-0.65%**	**1.45%**	**0.03%**
28	BC US TIPS		-0.64%	0.86%	0.86%	1.72%	-0.73%	1.62%	0.02%
29	**REITS †‡**	**1,257,091,314**	**-0.18%**	**1.56%**	**1.56%**	**5.32%**	**0.45%**	**8.61%**	**8.07%**
30	S&P GLOBAL REIT		-0.43%	1.12%	1.12%	4.29%	-1.04%	6.40%	7.11%
31	**LISTED INFRASTRUCTURE ◊**	**599,927,828**	**-0.86%**	**3.59%**	**3.59%**	**18.56%**	**16.76%**	**9.91%**	
32	S&P GLOBAL LISTED INFRASTRUCTURE		-1.85%	2.95%	2.95%	17.18%	12.16%	5.02%	
33	**PRIVATE EQUITY AND GROWTH OPPORTUNITIES ●**	**7,296,952,763**	**3.41%**	**7.68%**	**7.68%**	**14.27%**	**20.32%**	**22.66%**	**20.59%**
34	**PRIVATE EQUITY ●**	**4,460,397,975**	**2.43%**	**7.50%**	**7.50%**	**16.64%**	**21.63%**	**17.43%**	**18.33%**
35	PRIVATE EQUITY CUSTOM BENCHMARK[6] ●		1.59%	4.85%	4.85%	11.43%	15.76%	4.87%	11.59%
36	**GROWTH OPPORTUNITIES ●**	**2,836,554,788**	**4.92%**	**7.93%**	**7.93%**	**10.73%**	**18.17%**	**45.39%**	
37	CAMBRIDGE PRIVATE EQUITY ●		1.59%	4.85%	4.85%	11.43%	15.76%	10.28%	
38	**REAL ESTATE ● †‡**	**5,507,230,472**	**-0.14%**	**-0.50%**	**-0.50%**	**2.21%**	**4.80%**	**9.02%**	**10.03%**
39	NCREIF TOTAL INDEX ●		0.58%	1.75%	1.75%	5.11%	6.97%	10.17%	10.49%
40	**INFRASTRUCTURE, PRIVATE CREDIT AND INCOME OPPORTUNITIES ● ◊‡**	**3,338,539,574**	**1.32%**	**5.50%**	**5.50%**	**11.05%**	**13.74%**	**11.22%**	**11.74%**
41	INFRASTRUCTURE, PRIVATE CREDIT AND INCOME OPPORTUNITIES[4] ●		-0.58%	3.45%	3.45%	8.07%	10.89%	5.20%	9.22%
42	**INFRASTRUCTURE ● ◊**	**1,997,061,435**	**1.94%**	**6.83%**	**6.83%**	**12.56%**	**15.89%**	**17.02%**	**15.12%**
43	**PUBLIC/PRIVATE CREDIT ●**	**1,134,989,369**	**0.32%**	**3.64%**	**3.64%**	**9.07%**	**10.48%**	**5.99%**	**8.06%**
44	**INCOME OPPORTUNITIES ● ‡**	**206,488,770**	**0.83%**	**2.74%**	**2.74%**	**5.19%**	**9.42%**		
45	**ABSOLUTE RETURN**	**2,181,348,219**	**0.51%**	**2.01%**	**2.01%**	**5.52%**	**7.77%**	**2.40%**	**3.84%**
46	ABSOLUTE RETURN BENCHMARK[7]		0.68%	2.25%	2.25%	5.90%	7.14%	6.15%	5.86%
47	**ASSET ALLOCATION**	**3,566,857,997**	**0.17%**	**2.05%**	**2.05%**	**3.52%**	**4.63%**	**2.55%**	**2.72%**
48	**APF FI LIQUIDITY**	**801,151,437**	**-0.90%**	**0.31%**	**0.31%**				
48	**ADRIAN LEE FX**	**(2,690,513)**							
49	**CASH**	**290,398,612**	**0.10%**	**0.28%**	**0.28%**	**0.65%**	**0.71%**	**0.29%**	**0.18%**
50	90 DAY T-BILLS		0.09%	0.26%	0.26%	0.57%	0.66%	0.32%	0.22%
51	**MULTI-STRATEGY**	**2,477,998,462**	**0.55%**	**3.35%**	**3.35%**	**5.81%**	**8.17%**	**5.42%**	**5.21%**
52	Performance Benchmark ●		1.06%	3.54%	3.54%	10.75%	11.65%	6.55%	7.84%

[1] Passive Benchmark is a blended benchmark (60% MSCI All-Country World Index IMI; 20% BC Global Aggregate Index; 10% FTSE EPRA/NAREIT Rental Index; 10% US TIPs) from 9/30/2016 to date. Prior periods are described in Investment Policy.

[2] Performance Benchmark is a blended benchmark (41% MSCI ACWI IMI; 11% NCREIF Total Index (Lagged 3 Months); 11% Cambridge Private Equity (Lagged 3 Months); 6% BC US Corporate; 6% BC Aggregate; 5% HFRI Total HFOF Universe; 4% BC US High Yield 2% Issuer Cap (Lagged 3 Months); 3% 90 Day T-Bills; 4% FTSE Developed Core Infrastructure TRI (Lagged 3 Months); 2% S&P Global REIT; 2% BC Global Agg ex-US; 1% S&P Global Listed Infrastructure; 1% BC EMD Hard Currency Agg; 1% BC US TIPS) from 6/30/2017 to date. Prior periods are described in Investment Policy.

[3] Total Fund Return Objective is the Consumer Price Index (All Urban Consumers, U.S. City Average, All Items, Unadjusted Index) plus 5%.

[4] Public Income Plus Benchmark is a blended benchmark (25% BC Aggregate; 25% BC US Corporate; 10% S&P Global REIT; 10% BC US High Yield 2% Issuer Cap; 10% BC Global Agg ex-US; 5% S&P Global Listed Infrastructure; 5% BC EMD Hard Currency Agg; 5% BC US TIPS; 5% 90 Day T-Bills) from 9/30/2016 to date.

[5] Infrastructure, Private Credit and Income Opportunities Benchmark is a blended benchmark (60% FTSE Developed Core Infrastructure TRI (Lagged 3 Months); 40% BC US High Yield 2% Issuer Cap (Lagged 3 Months)) from 9/30/2016 to date.

[6] Private Equity Custom Benchmark is 60% Russell 3000 (Lagged 3 Months) and 40% MSCI EAFE (Lagged 3 Months) through 9/30/2016 then Cambridge Private Equity (Lagged 3 Months)

[7] Absolute Return Benchmark is LIBOR + 4% through 6/30/2013, LIBOR + 6% from 7/1/2013 through 6/30/2015, LIBOR + 5% from 7/1/2015 through 9/30/2016, and HFRI Total HFOF Universe thereafter.

* Reported market values represent total fund holdings, which consists of 99.16% APF and 0.84% AMH, and are consistent with the timing of the APF and AMH Financial Statements.

● For investments within Private Equity and Growth Opportunities, Real Estate, and Infrastructure, Private Credit, and Income Opportunities asset classes, returns are lagged three (3) months. Composites that incorporate these investments as well as associated benchmarks are also lagged three (3) months.

◊ Public infrastructure investments are included with Infrastructure prior to 9/30/2016 and Fixed Income Plus thereafter.

† REITs are included with Real Estate prior to 9/30/2016 and Fixed Income Plus thereafter.

‡ American Homes 4 Rent became a public investment on 7/31/2013. It is included in Income Opportunities from inception to 7/31/2013, Real Estate from 8/1/2013 to 9/30/2016, and Fixed Income Plus from 10/1/2016 to date.

		Market Values as of 9/30/2017*	(A) 1 Month	(B) 3 Month	(C) FYTD	(D) CYTD	(E) 1 Year	(F) 3 Years	(G) 5 Years
			Returns as of 9/30/2017						
53	**PUBLIC EQUITIES**	**27,647,070,811**	**2.36%**	**5.87%**	**5.87%**	**18.55%**	**19.71%**	**7.81%**	**10.33%**
54	MSCI ACWI IMI		2.14%	5.32%	5.32%	17.24%	18.73%	7.72%	10.43%
55	**INTERNATIONAL EQUITIES**	**10,287,460,921**	**1.52%**	**6.89%**	**6.89%**	**23.95%**	**21.47%**	**5.97%**	**7.17%**
56	MSCI ACWI IMI EX-US		1.90%	6.27%	6.27%	21.47%	19.55%	5.16%	7.32%
57	**Macquarie Investment Management Emerging Markets**	**315,669,541**	**1.88%**	**12.80%**	**12.80%**	**38.38%**	**31.27%**	**6.81%**	
58	**JP Morgan Emerging Markets**	**518,749,806**	**-0.16%**	**7.89%**	**7.89%**	**29.02%**	**23.23%**	**8.14%**	
59	**Lee Munder Emerging Markets**	**167,336,573**	**-0.65%**	**6.70%**	**6.70%**	**28.19%**	**23.24%**	**4.44%**	
60	**Mondrian Investment Partners**	**588,481,463**	**-0.82%**	**3.94%**	**3.94%**	**20.58%**	**16.34%**	**2.65%**	**2.45%**
61	**SSgA MSCI Emerging Markets**	**254,706,736**	**-0.40%**	**7.11%**	**7.11%**	**26.74%**	**21.08%**	**4.82%**	**3.95%**
62	**William Blair Emerging Markets**	**626,543,504**	**1.19%**	**11.12%**	**11.12%**	**34.34%**	**23.78%**	**6.56%**	
63	MSCI Emerging Markets Index		-0.40%	7.89%	7.89%	27.78%	22.46%	4.90%	3.99%
64	**DFA Emerging Markets Value**	**552,017,631**	**-1.69%**	**6.01%**	**6.01%**	**22.77%**	**21.93%**		
65	MSCI Emerging Markets Value Index		-1.93%	5.47%	5.47%	19.87%	18.55%		
66	**DFA Emerging Markets Small Cap**	**195,371,400**	**0.09%**	**6.51%**	**6.51%**	**24.23%**	**17.52%**		
67	MSCI Emerging Markets Small Cap Index		0.04%	5.64%	5.64%	22.53%	14.89%		
68	**Trustbridge Emerging Markets**	**147,678,671**	**1.58%**	**15.18%**	**15.18%**	**52.03%**	**39.48%**		
69	MSCI All China Net Total Return Index		0.70%	11.01%	11.01%	28.05%	21.77%		
70	**Wells Capital**	**66,110,320**	**1.31%**	**10.25%**	**10.25%**	**38.26%**			
71	MSCI All China Net Total Return Index		0.70%	11.01%	11.01%	28.05%			
72	**Mellon MSCI World ex-USA**	**1,415,688,821**	**2.55%**	**5.59%**	**5.59%**	**19.43%**	**19.04%**	**4.87%**	**8.10%**
73	**DFA International Large Cap**	**916,439,639**	**2.77%**	**6.58%**	**6.58%**	**20.18%**	**21.86%**	**5.11%**	**8.56%**
74	Int'l Passive/Quasi-Passive Custom Benchmark[1]		2.59%	5.62%	5.62%	19.17%	18.73%	4.57%	7.81%
75	**DFA International Small Cap Value**	**423,559,697**	**3.33%**	**7.60%**	**7.60%**	**23.14%**	**26.08%**	**10.75%**	**14.10%**
76	MSCI World ex-USA Small Cap Value Index		2.65%	6.97%	6.97%	21.60%	21.46%	8.34%	11.31%
77	**DFA International Small Company**	**415,383,457**	**2.89%**	**7.04%**	**7.04%**	**24.55%**	**22.45%**	**10.60%**	**12.43%**
78	**SSgA International Developed Small Cap Index**	**402,727,390**	**2.77%**	**7.14%**	**7.14%**	**24.01%**	**20.49%**	**9.90%**	**11.48%**
79	MSCI World ex-USA Small Cap Index		2.74%	7.26%	7.26%	23.82%	20.42%	9.59%	11.16%
80	**Acadian Asset Mgmt**	**825,181,068**	**0.85%**	**5.98%**	**5.98%**	**21.75%**	**20.12%**	**7.60%**	**8.23%**
81	MSCI Custom Benchmark[2]		3.19%	6.14%	6.14%	17.05%	22.46%	5.27%	8.24%
82	**LSV International Large Cap**	**556,711,617**	**1.98%**	**6.53%**	**6.53%**	**21.47%**	**26.33%**	**5.84%**	
83	**Schroders International Large Cap**	**599,739,429**	**1.52%**	**5.02%**	**5.02%**	**18.93%**	**19.22%**	**6.39%**	
84	MSCI All Country World ex-USA Value Index		1.96%	5.99%	5.99%	17.68%	21.55%	2.92%	
85	**SSgA International**	**270,250,581**	**2.71%**	**5.06%**	**5.06%**	**17.47%**	**15.96%**	**4.06%**	**6.86%**
86	MSCI World ex-USA/MSCI EAFE[3]		2.59%	5.62%	5.62%	19.17%	18.73%	4.57%	7.81%
87	**Johnston International Large Cap**	**402,275,230**	**2.63%**	**8.24%**	**8.24%**	**31.55%**	**26.57%**	**10.50%**	
88	**JP Morgan International Large Cap**	**626,798,930**	**2.35%**	**6.68%**	**6.68%**	**26.22%**	**21.59%**	**9.15%**	
89	MSCI World ex-USA Growth Index		2.00%	5.10%	5.10%	21.47%	15.04%	5.82%	
90	**GLOBAL EQUITIES**	**9,857,037,651**	**2.41%**	**5.37%**	**5.37%**	**16.51%**	**18.49%**	**7.75%**	**11.21%**
91	MSCI ACWI IMI		2.14%	5.32%	5.32%	17.24%	18.73%	7.72%	10.43%
92	**AQR Global Equity**	**1,717,335,241**	**2.48%**	**6.81%**	**6.81%**	**19.11%**	**21.47%**	**9.93%**	**13.46%**
93	**SSgA MSCI World**	**171,387,045**	**2.24%**	**4.91%**	**4.91%**	**16.42%**	**18.67%**	**8.18%**	
94	MSCI World Index		2.24%	4.84%	4.84%	16.01%	18.17%	7.69%	10.99%
95	**SSgA Russell Fundamental Developed Lrg Co**	**1,540,467,183**	**3.11%**	**5.75%**	**5.75%**	**14.24%**	**18.92%**	**7.26%**	**11.77%**
96	Russell Fundamental Dvlpd Lrg Co Index		3.22%	5.80%	5.80%	14.19%	19.17%	7.38%	11.95%
97	**Lazard Asset Management[4]**	**2,139,553,997**	**2.09%**	**4.78%**	**4.78%**	**15.37%**	**15.55%**	**7.78%**	**10.69%**
98	**McKinley Capital Management**	**848,065,019**	**1.88%**	**7.47%**	**7.47%**	**22.56%**	**22.04%**	**8.83%**	**12.25%**
99	MSCI All-Country World Index		1.93%	5.18%	5.18%	17.25%	18.65%	7.43%	10.20%
100	**APF Tactical Tilts**	**3,282,420,085**	**2.41%**	**4.38%**	**4.38%**	**15.98%**	**19.91%**	**-2.89%**	
101	**SSGA MSCI ACWI IMI**	**157,809,080**	**2.17%**	**5.24%**	**5.24%**	**17.29%**	**18.84%**		
102	MSCI All-Country World IMI		2.14%	5.32%	5.32%	17.24%	18.73%	7.72%	
103	**DOMESTIC EQUITIES**	**7,502,565,716**	**3.47%**	**5.13%**	**5.13%**	**14.15%**	**19.38%**	**10.92%**	**14.62%**
104	RUSSELL 3000 INDEX		2.44%	4.57%	4.57%	13.91%	18.71%	10.74%	14.23%
105	**Mellon S&P 500**	**171,437,751**	**2.07%**	**4.48%**	**4.48%**	**14.25%**	**18.63%**	**10.73%**	**14.17%**
106	S&P 500 Index		2.06%	4.48%	4.48%	14.24%	18.61%	10.81%	14.22%
107	**Mellon FTSE RAFI US Large Cap**	**334,348,678**	**3.19%**	**4.38%**	**4.38%**	**9.30%**	**17.29%**	**9.49%**	**14.37%**
108	FTSE RAFI US 1000 Index		3.18%	4.34%	4.34%	9.24%	17.24%	9.60%	14.43%
109	**AGI - Large Cap**	**806,343,362**	**1.84%**	**6.15%**	**6.15%**	**20.40%**	**19.66%**	**12.49%**	**15.82%**
110	**SSgA Large Cap**	**445,463,567**	**0.30%**	**5.96%**	**5.96%**	**23.90%**	**21.82%**	**12.11%**	**15.62%**
111	**DSM - Large Cap**	**452,828,674**	**-0.47%**	**7.49%**	**7.49%**	**31.85%**	**26.78%**	**14.82%**	
112	**CastleArk - Large Cap**	**354,636,034**	**3.56%**	**6.44%**	**6.44%**	**21.21%**	**19.34%**	**12.75%**	
113	**APF SPDR Yield**	**400,394,231**	**3.56%**	**2.24%**	**2.24%**	**7.52%**	**13.81%**		
114	**APF SPDR Momentum**	**408,624,316**	**3.19%**	**5.25%**	**5.25%**	**13.11%**	**17.55%**		
115	**APF SPDR Low Vol**	**403,523,814**	**2.04%**	**1.90%**	**1.90%**	**10.18%**	**13.98%**		
116	Russell 1000 Growth Index		1.30%	5.90%	5.90%	20.72%	21.94%	12.69%	15.26%
117	Russell 1000 Index		2.13%	4.48%	4.48%	14.17%	18.54%	10.63%	14.27%
118	**Herndon**	**375,869,076**	**3.60%**	**6.44%**	**6.44%**	**14.96%**	**21.74%**	**5.02%**	
119	**Lyrical**	**621,896,354**	**4.03%**	**4.58%**	**4.58%**	**13.63%**	**21.91%**	**10.33%**	
120	**SKBA**	**331,170,249**	**5.74%**	**5.69%**	**5.69%**	**9.54%**	**17.45%**	**9.50%**	
121	**LSV**	**680,764,376**	**4.68%**	**5.12%**	**5.12%**	**8.60%**	**19.75%**		
122	Russell 1000 Value Index		2.96%	3.11%	3.11%	7.92%	15.12%	8.53%	
123	**Mellon S&P 400**	**164,361,084**	**3.91%**	**3.22%**	**3.22%**	**9.40%**	**17.50%**	**11.20%**	**14.46%**
124	S&P 400 Index		3.92%	3.22%	3.22%	9.40%	17.52%	11.18%	14.43%
125	**Jennison Associates LLC**	**282,809,124**	**5.26%**	**4.44%**	**4.44%**	**14.79%**	**20.41%**	**10.04%**	**14.57%**
126	Russell 2000 Index		6.24%	5.67%	5.67%	10.94%	20.74%	12.18%	13.79%
127	**RBC Asset Mgmt**	**267,813,947**	**6.51%**	**5.06%**	**5.06%**	**9.16%**	**15.57%**	**12.25%**	**13.66%**
128	**Eagle Asset Mgmt**	**282,753,908**	**4.39%**	**4.29%**	**4.29%**	**18.24%**	**22.12%**	**12.68%**	**14.58%**
129	Russell 2000 Growth Index		5.45%	6.22%	6.22%	16.81%	20.98%	12.17%	14.28%
130	Russell 2000 Index		6.24%	5.67%	5.67%	10.94%	20.74%	12.18%	13.79%
131	**T Rowe Price**	**285,821,606**	**6.29%**	**6.49%**	**6.49%**	**8.61%**	**23.99%**	**14.30%**	**14.29%**
132	**Pzena Investment Mgmt**	**295,037,490**	**8.48%**	**6.11%**	**6.11%**	**3.10%**	**21.52%**	**14.67%**	**17.24%**
133	Russell 2000 Value Index		7.08%	5.11%	5.11%	5.68%	20.55%	12.12%	13.27%
134	Russell 2000 Index		6.24%	5.67%	5.67%	10.94%	20.74%	12.18%	13.79%
135	**AGI Structured Alpha**	**136,668,076**	**2.26%**	**4.94%**	**4.94%**	**15.70%**	**20.98%**		
136	S&P 500 Index		2.06%	4.48%	4.48%	14.24%	18.61%		

[1] Int'l Passive/Quasi-Passive Custom Benchmark is MSCI EAFE through 5/26/10 then MSCI World ex US thereafter.

[2] MSCI Custom Blend benchmark is MSCI EAFE TRI through 2/28/11, MSCI World ex-USA TRI through 4/30/2016, then MSCI World ex-USA Value TRI thereafter.

[3] MSCI World ex-USA/MSCI EAFE benchmark is MSCI EAFE TRI through 2/28/11 then MSCI World ex-USA TRI thereafter.

[4] Lazard global equity accounts' annual fees do not include fees paid on imbedded mutual fund positions.

* Reported market values represent total fund holdings, which consists of 99.16% APF and 0.84% AMH, and are consistent with the timing of the APF and AMH Financial Statements.

			(A)	(B)	(C)	(D)	(E)	(F)	(G)	
		Market Values as of 9/30/2017*	Returns as of 9/30/2017							
			1 Month	3 Month	FYTD	CYTD	1 Year	3 Years	5 Years	
137	**FIXED INCOME PLUS ◊ † ‡**	**12,511,330,992**	**-0.09%**	**1.52%**	**1.52%**	**5.27%**	**2.77%**	**3.83%**	**2.90%**	
138	PUBLIC INCOME BENCHMARK		-0.28%	1.26%	1.26%	4.68%	2.09%	3.95%	3.81%	
139	**FIXED INCOME PLUS CASH**	**460,599,194**	**0.11%**	**0.40%**	**0.40%**	**0.82%**				
140	90 DAY T-BILLS		0.09%	0.26%	0.26%	0.57%				
141	**APF Fixed Income Plus Cash**	**460,598,669**	**0.11%**	**0.40%**	**0.40%**					
142	**US FIXED INCOME AGGREGATE**	**3,348,116,519**	**-0.33%**	**0.91%**	**0.91%**	**3.23%**	**0.56%**	**2.87%**		
143	BC AGGREGATE		-0.48%	0.85%	0.85%	3.14%	0.07%	2.71%		
144	**APF Fixed Income - Aggregate**	**3,348,116,519**	**-0.33%**	**0.91%**	**0.91%**	**3.23%**	**0.56%**	**2.87%**		
145	**US INVESTMENT GRADE CORPORATE**	**3,333,743,793**	**0.08%**	**1.54%**	**1.54%**	**5.56%**	**2.77%**	**4.82%**	**4.09%**	
146	BC CORPORATE		-0.17%	1.34%	1.34%	5.19%	2.21%	4.10%	3.46%	
147	**APF Corporate Bonds**	**3,333,743,793**	**0.08%**	**1.54%**	**1.54%**	**5.56%**	**2.77%**	**4.82%**	**4.09%**	
148	**NON US FIXED INCOME**	**775,885,168**	**-0.55%**	**0.49%**	**0.49%**	**1.14%**	**-1.27%**	**3.23%**	**3.35%**	
149	BC GLOBAL AGG EX-US		-0.50%	0.65%	0.65%	1.01%	-1.08%	3.50%	3.76%	
150	**Rogge Global Partners**	**343,387,901**	**-0.52%**	**0.69%**	**0.69%**	**1.30%**	**-1.05%**	**3.42%**	**3.39%**	
151	**APF Global Government Bonds**	**432,497,267**	**-0.58%**	**0.72%**	**0.72%**	**1.43%**	**-1.08%**	**3.13%**		
152	**GLOBAL HIGH YIELD**	**1,247,774,743**	**0.87%**	**2.05%**	**2.05%**	**6.30%**	**8.19%**	**5.36%**	**5.85%**	
153	BC US HIGH YIELD 2% ISSUER CAP		0.90%	1.98%	1.98%	7.00%	8.87%	5.84%	6.37%	
154	**Oaktree High Yield**	**582,553,896**	**1.04%**	**1.76%**	**1.76%**	**6.12%**	**7.68%**	**4.75%**	**5.28%**	
154	**Capital Guardian High Yield**	**398,677,880**	**0.80%**	**2.63%**	**2.63%**	**6.65%**	**9.51%**	**7.13%**	**7.35%**	
155	**APF High Yield**	**266,444,899**	**0.60%**	**1.95%**	**1.95%**					
156	BC US High Yield 2% Issuer Cap Index		0.90%	1.98%	1.98%	7.00%	8.87%	5.84%	6.37%	
157	HY Fixed Income Custom Blend[1]		0.90%	1.98%	1.98%	7.00%	8.87%	6.06%	6.77%	
158	**EMERGING MARKET DEBT**	**762,011,974**	**-0.03%**	**3.71%**	**3.71%**	**11.06%**	**7.41%**	**3.54%**	**2.49%**	
159	BC EMD HARD CURRENCY AGG		0.05%	2.66%	2.66%	8.64%	5.09%	4.97%	4.20%	
160	**Capital Guardian HY Emerging Markets Gov't**	**659,152,097**	**0.03%**	**3.80%**	**3.80%**	**11.16%**	**7.51%**	**3.57%**	**2.51%**	
161	HY Emerging Markets Benchmark[2]		-0.18%	2.97%	2.97%	11.48%	5.75%	3.19%	1.73%	
162	**APF Emerging Market Debt**	**102,859,877**	**-0.41%**							
163	BC EMD Hard Currency AGG		0.05%							
164	**TIPS**	**726,180,459**	**-0.65%**	**0.79%**	**0.79%**	**1.75%**	**-0.65%**	**1.45%**	**0.03%**	
165	BC US TIPS		-0.64%	0.86%	0.86%	1.72%	-0.73%	1.62%	0.02%	
166	**APF TIPS**	**625,861,530**	**-0.68%**	**0.81%**	**0.81%**	**1.80%**	**-0.67%**	**1.66%**	**0.06%**	
167	BC U.S. TIPS		-0.64%	0.86%	0.86%	1.72%	-0.73%	1.62%	0.02%	
168	**Alaska Permanent Capital Mgmt**	**100,318,929**	**-0.48%**	**0.70%**	**0.70%**	**1.43%**	**-0.40%**	**1.30%**	**0.04%**	
169	BC U.S. TIPS 1-10 Year Index		-0.49%	0.70%	0.70%	1.36%	-0.14%	1.26%	-0.02%	
170	**REITS † ‡**	**1,257,091,314**	**-0.18%**	**1.56%**	**1.56%**	**5.32%**	**0.45%**	**8.61%**	**8.07%**	
171	S&P GLOBAL REIT		-0.43%	1.12%	1.12%	4.29%	-1.04%	6.40%	7.11%	
172	**AEW Global RE Securities**	**509,228,038**	**0.13%**	**2.22%**	**2.22%**	**6.33%**	**1.36%**	**8.41%**	**8.89%**	
173	**American Homes 4 Rent †**	**36,380,413**	**-1.81%**	**-3.59%**	**-3.59%**	**-1.92%**	**-4.53%**	**7.96%**	**9.32%**	**Net**
174	MSCI US REIT Index		-0.10%	0.93%	0.93%	3.61%	0.54%	9.67%	9.58%	
175	REIT Benchmark[3]		-0.10%	1.63%	1.63%	5.55%	-0.15%	7.73%	8.35%	
176	**SSGA REITS**	**711,482,862**	**-0.31%**	**1.37%**	**1.37%**	**4.98%**				
177	S&P GLOBAL REIT		-0.43%	1.12%	1.12%	4.29%				
178	**LISTED INFRASTRUCTURE ◊**	**599,927,828**	**-0.86%**	**3.59%**	**3.59%**	**18.56%**	**16.76%**	**9.91%**		
179	S&P GLOBAL LISTED INFRASTRUCTURE		-1.85%	2.95%	2.95%	17.18%	12.16%	5.02%		
180	**Lazard Listed Infrastructure**	**191,128,270**	**0.54%**	**5.02%**	**5.02%**	**23.48%**	**27.75%**	**16.54%**		
181	FTSE Core Developed Infrastructure (Hedged)		-0.74%	1.73%	1.73%	11.26%	11.82%	8.66%		
182	**Cohen & Steers Listed Infrastructure**	**136,787,782**	**-0.63%**	**2.94%**	**2.94%**	**15.77%**	**12.62%**	**5.48%**		
183	FTSE Core Developed Infrastructure Custom		-0.79%	2.92%	2.92%	14.59%	12.25%	6.48%		
184	**SSGA Listed Infrastructure**	**271,780,268**	**-1.94%**	**2.93%**	**2.93%**	**17.58%**				
185	S&P GLOBAL LISTED INFRASTRUCTURE		-1.85%	2.95%	2.95%	17.18%				

[1] HY Fixed Income Custom Blend is BC Global High Yield Corporate Index through 7/31/2016 then BC US High Yield 2% Issuer Cap Index thereafter.

[2] HY Emerging Markets Benchmark is 50% JP Morgan Emerging Markets Bond Index Global and 50% JP Morgan Government Bond Index-Emerging Markets Global Diversified.

[3] REIT Benchmark is UBS Global Real Estate Investors Index through 12/31/2014 then FTSE EPRA/NAREIT Developed Rental Index thereafter.

* Reported market values represent total fund holdings, which consists of 99.16% APF and 0.84% AMH, and are consistent with the timing of the APF and AMH Financial Statements.

◊ Public infrastructure investments are included with Infrastructure prior to 9/30/2016 and Fixed Income Plus thereafter.

† REITs are included with Real Estate prior to 9/30/2016 and Fixed Income Plus thereafter.

‡ American Homes 4 Rent became a public investment on 7/31/2013. It is included in Income Opportunities from inception to 7/31/2013, Real Estate from 8/1/2013 to 9/30/2016, and Fixed Income Plus from 10/1/2016 to date.

		Market Values as of 9/30/2017*	(A)	(B)	(C) FYTD	(D) CYTD	(E) 1 Year	(F) 3 Years	(G) 5 Years	
					Returns as of 9/30/2017					
186	**PRIVATE EQUITY AND GROWTH OPPORTUNITIES ●**	7,296,952,763			7.68%	14.27%	20.32%	22.66%	20.59%	
187	CAMBRIDGE PRIVATE EQUITY ●				4.85%	11.43%	15.76%	10.28%	13.45%	
188	**PRIVATE EQUITY ●**	4,460,397,975			7.50%	16.64%	21.63%	17.43%	18.33%	
189	PRIVATE EQUITY CUSTOM BENCHMARK ●				4.85%	11.43%	15.76%	4.87%	11.59%	
190	**Staff Direct**	633,503,039			10.84%	20.49%	24.03%	18.10%		Various
191	**Rapid Partners LP**	93,258,088			10.66%	-7.70%	15.48%			Net
192	**Kelso Hammer LP**	28,383,748			-0.58%	9.75%	10.35%			Gross
193	**HV Legacy**	1,282,985,666			7.84%	18.56%	22.89%	20.33%	19.05%	Net
194	**Pathway Capital Management**	2,258,372,279			6.49%	16.33%	21.17%	15.29%	17.18%	Net
195	**BlackRock Co-investment Funds**	163,895,156			9.73%	13.98%	14.58%	1.26%		Net
196	**GROWTH OPPORTUNITIES ●**	2,836,554,788			7.93%	10.73%	18.17%	45.39%		Net
197	CAMBRIDGE PRIVATE EQUITY ●				4.85%	11.43%	15.76%	10.28%		
198	**REAL ESTATE ● † ‡**	5,507,230,472			-0.58%	1.95%	4.45%	8.73%	9.85%	
199	NCREIF TOTAL INDEX ●				1.75%	5.11%	6.97%	10.17%	10.49%	
200	**LaSalle Investment Mgmt**				0.40%	0.45%	1.74%	6.58%	8.83%	Net
201	**L&B Realty Advisors**	2,083,286,987			1.62%	4.11%	7.27%	12.78%	12.64%	Net
202	**Simpson Housing (SHLP) REOC**	1,368,310,128			0.94%	3.39%	6.18%	11.95%	12.23%	Net
203	**Sentinel Real Estate**	1,170,877,296			-9.45%	-6.22%	-4.48%	5.21%	6.32%	Net
204	**Lincoln Industrial**	78,291,239			6.63%	10.23%	17.58%			Net
205	**CS Capital**	416,796,040			3.28%	13.03%	15.39%			Net
206	**LaSalle Investment Mgmt-United Kingdom**	223,495,752			6.11%	-9.29%	-24.05%	-17.43%		Net
207	**CB Richard Ellis - Europe**	166,173,031			7.33%	19.92%	25.14%			Net
208	**INFRASTRUCTURE, PRIVATE CREDIT AND INCOME OPPORTUNITIES ● ◊ ‡**	3,338,539,574			5.50%	11.05%	13.74%	11.22%	11.74%	
209	INFRASTRUCTURE, PRIVATE CREDIT AND INCOME OPPORTUNITIES ●				3.45%	8.07%	10.89%	5.20%	9.22%	
210	**INFRASTRUCTURE ● ◊**	1,997,061,435			6.83%	12.56%	15.89%	17.02%	15.12%	Net
211	FTSE DEVELOPED CORE INFRASTRUCTURE TRI ●				4.30%	8.89%	9.58%	5.55%	10.67%	
212	**GIP**	151,729,234			9.99%	20.22%	30.03%	35.96%	30.78%	Net
213	**GIP II**	343,073,822			2.50%	11.08%	16.78%	14.75%	22.24%	Net
214	**Gateway IFR**	258,065,764			6.52%	10.02%	9.19%	2.55%	-1.20%	Net
215	**G Sachs**	485,694,390			9.51%	11.86%	16.32%	19.06%	17.83%	Net
216	**EQT II**	30,177,733			29.54%	22.95%	28.86%	18.33%		Net
217	**GIP II Co-Invest 2**	80,056,761			7.62%	20.61%	24.32%	25.91%		Net
218	**ACTIS Energy 3**	67,347,699			0.40%	4.88%	16.62%	4.67%		Net
219	**LS Power III**	127,048,827			11.57%	20.88%	27.37%	13.79%		Net
220	**North Haven**	100,133,245			6.73%	7.16%	8.16%			Net
221	**Twin Creeks Timber**	59,024,535			-2.61%	-0.32%	1.37%			Net
222	**GIP III Canary**	121,385,554			10.92%	24.34%				Net
223	**CIM Fund II**	76,248,766			0.71%	0.00%				Net
224	**GIP III**	88,520,600			1.56%	15.28%				Net
225	**ACTIS Energy 4**	7,518,907								Net
226	**Meridiam III**	1,035,598								Net
227	FTSE Core Developed Infrastructure TRI				4.30%	8.89%	9.58%	5.55%	10.67%	
228	**PUBLIC/PRIVATE CREDIT ●**	1,134,989,369			3.64%	9.07%	10.48%	5.99%	8.06%	Net
229	BC US HIGH YIELD 2% ISSUER CAP ●				2.17%	6.76%	12.69%	4.50%	6.90%	
230	**INCOME OPPORTUNITIES ● ‡**	206,488,770			2.74%	5.19%	9.42%	7.82%		
231	**American Homes 4 Rent II**	168,310,423			2.78%	5.12%	9.29%			Net
231	**Athyrium III**	3,178,347								Net
232	**Generate Capital**	35,000,000								Net
232	**ABSOLUTE RETURN**	2,181,348,219			2.01%	5.52%	7.77%	2.40%	3.84%	Net
233	ABSOLUTE RETURN BENCHMARK				2.25%	5.90%	7.14%	6.15%	5.86%	
234	**ASSET ALLOCATION**	3,566,857,997			2.05%	3.52%	4.63%	2.55%	2.72%	
235	**APF FI LIQUIDITY**	801,151,437			0.31%					
236	**ADRIAN LEE FX**	(2,690,513)								
236	**CASH**	290,398,612			0.28%	0.65%	0.71%	0.29%	0.18%	
237	90 DAY T-BILLS				0.26%	0.57%	0.66%	0.32%	0.22%	
238	**APF Internal Cash**	290,398,611								
239	**MULTI-STRATEGY CLASS**	2,477,998,462			3.35%	5.81%	8.17%	5.42%	5.21%	
240	PERFORMANCE BENCHMARK				3.54%	10.75%	11.65%	6.55%	7.84%	
241	**Bridgewater**	813,428,551			2.39%	3.17%	8.57%	4.61%	4.74%	
242	**AQR**	848,278,866			3.69%	5.08%	6.70%	7.61%	7.16%	
243	**Goldman Sachs**	816,291,045			3.95%	9.39%	9.32%	4.11%	5.19%	
244	CPI + 5%				1.96%	5.93%	7.23%	6.22%	6.30%	

* Reported market values represent total fund holdings, which consists of 99.16% APF and 0.84% AMH, and are consistent with the timing of the APF and AMH Financial Statements.

● For investments within Private Equity and Growth Opportunities, Real Estate, and Infrastructure, Private Credit, and Income Opportunities asset classes, returns are lagged three (3) months. Composites that incorporate these investments as well as associated benchmarks are also lagged three (3) months.

◊ Public infrastructure investments are included with Infrastructure prior to 9/30/2016 and Fixed Income Plus thereafter.

† REITs are included with Real Estate prior to 9/30/2016 and Fixed Income Plus thereafter.

‡ American Homes 4 Rent became a public investment on 7/31/2013. It is included in Income Opportunities from inception to 7/31/2013, Real Estate from 8/1/2013 to 9/30/2016, and Fixed Income Plus from 10/1/2016 to date.

Strategic and Tactical Moves

APFC ALASKA PERMANENT FUND CORPORATION

Board Report on Tactical and Strategic Manager Actions

6/30/2017 through 9/30/2017

Tactical Changes Implemented:

Fixed Income

Private Income and Hedge Funds

Private Income

Fund Commitments closed in Q1:

$100 million to TPG TAO 4.0

Direct Investments closed in Q1:

$100 million to Generate Capital Inc.

Hedge Funds

$150 million to Fixed Income Relative Value Manager
$160 million to Systematic Macro Manager

Private Equity and Growth Opportunities

Fund Commitments closed in Q1:

$42 million to CVC VII
$100 million to Onex V
$25 million to Insight X
$41 million to Nordic IX
$38 million to Canaan XI
$25 million to Bain XII
$25 million to Quantum VII / VII Co-Invest
$55 million to Glendon Opps II
$50 million to IVP XVII
$65 million to GTCR XII

Structured Fund Arrangements closed in Q1:

None

Direct Investments closed in Q1:

$10 million invested in Vir Bio
$25 million invested in Indigo Agriculture (follow-on round)

Infrastructure, Private Credit, Income Opportunities N/A

Public Equity

July 28 - 30th Rebalanced $835 million in Public Equities In House Tactical Tilts account as follows:

Sell/Trim: Approx. $835 million

iShares MSCI Eurozone ETF (EZU)	$170 million (Entire position)
WisdomTree Europe Hedged Equity (HEDJ)	$205 million (half position)
WisdomTree Japan Hedged Equity (DXJ)	$150 million
iShares Nasdaq Biotech (IBB)	$110 (Entire position)
iShares Russell 2000 (IWM)	$100 million (Entire position)
iShares MSCI Mexico (EWW)	$100 million

Buy/Add: Approx $835 million

Vanguard S&P 500 (VOO)	$600 million
Vanguard FTSE Dvlp (VEA)	$135 million
Vanguard FTSE EM (VWO)	$100 million

Absolute Return N/A

Real Estate N/A

Asset Allocation N/A

Strategic Changes Implemented:

Fixed Income Plus N/A

Infrastructure, Private Credit, Income Opportunities N/A

Private Equity and Growth Opportunities N/A

Public Equity N/A

Real Estate N/A

Asset Allocation

Cash and Asset Allocation Strategies

- On 9/1/2017 implemented $2 billion currency overlay on developed currency exposure
- On 7/1/2017 re-invested $1.6 billion, $800 million in public equities, and $800 fixed income plus

Investment Management Fee Report

APFC ALASKA PERMANENT FUND CORPORATION

Quarterly Investment Management Fees

	Quarter Ended 9/30/2017	*YTD* FY2018	*Quarter Ended* 6/30/2017	3/31/2017	12/31/2016	9/30/2016	*YTD* FY2017
Transition Management [a]	-	-	-	-	-	-	-
Non-Domestic Equity & FI Managers	597,000	597,000	546,000	564,000	540,000	744,000	2,394,000
Real Estate Advisors:							
Real Estate Advisors [b][f][h]	6,281,000	6,281,000	10,433,000	5,580,000	4,723,000	3,282,000	24,018,000
Abs. Return, Mezz. & Distressed Debt [c][d]	4,337,000	4,337,000	5,018,000	5,339,000	8,117,000	7,105,000	25,579,000
Infrastructure	4,779,000	4,779,000	6,425,000	5,610,000	7,899,000	6,506,000	26,440,000
Public Equity [g]	493,000	493,000	685,000	163,000	366,000	257,000	1,471,000
Private Equity [e][h]	54,081,000	54,081,000	39,326,000	7,688,000	12,098,000	9,313,000	68,425,000
Fees Funded by Investments	**70,568,000**	**70,568,000**	**62,433,000**	**24,944,000**	**33,743,000**	**27,207,000**	**148,327,000**
Fees Funded by Appropriation	**26,127,000**	**26,127,000**	**24,467,000**	**32,815,000**	**22,825,000**	**22,756,000**	**102,863,000**
APFC Corporate Expenses	**4,391,000**	**4,391,000**	**6,465,000**	**4,568,000**	**4,154,000**	**4,229,000**	**19,416,000**
TOTAL Investment Management Fees	**101,086,000**	**101,086,000**	**93,365,000**	**62,327,000**	**60,722,000**	**54,192,000**	**270,606,000**
Assets Under Management	**62,043,958,000**	**62,043,958,000**	**60,286,353,000**	**58,245,649,000**	**55,859,408,000**	**55,239,923,000**	**60,286,353,000**

Notes:

(a) Commissions and futures overlay fees only (if applicable, including commissions paid to third party brokers); excludes taxes and other implementation costs.

(b) Includes accrued but unpaid real estate advisor incentive fees.

(c) Fund-of-Fund structures include only fund manager fees, not underlying partnership fees.

(d) Remaining ECIOs moved to Absolute Return beginning in FY2016.

(e) Direct placement Private Equity began in FY2014.

(f) FY16 Q1 negative fees result from reversal of accrued incentive fees because actual performance did not live up to expectations.

(g) Public Equity with a net of fees component began in FY2016.

(h) Beginning with the quarter ended 6/30/17, estimates of management fees for private equity and real estate investments accessed through external managers are included.

a) FY2018 Budget Status

Alaska Permanent Fund Corporation
FY2018 Budget Status
as of 10/31/2018

Corporate Operations Budget Allocation		Board approved authorization		Payments and Encumbrances as of 10/31/2017
Personal Services	$	9,600,700	$	3,105,602
Staff	$	9,572,700	$	3,099,147
Board: Honorarium	$	28,000	$	6,455
Travel	$	605,500	$	149,712
Staff	$	492,785	$	145,366
Trustees	$	47,300	$	4,346
Moving/Non-Employee	$	65,415	$	-
Contractual Services	$	1,870,900	$	958,798
Audit, Legal, Consulting	$	260,500	$	145,968
Public Communications	$	146,500	$	137,712
Board Support and Meetings	$	94,500	$	54,851
Information Technology	$	617,100	$	86,126
HR and Recruitment	$	20,000	$	-
Training/Education	$	56,500	$	10,509
Office Support	$	675,800	$	523,631
Commodities	$	97,300	$	14,128
Equipment	$	80,000	$	-
Total	**$**	**12,254,400**	**$**	**4,228,240**

Invesment Management Budget Allocation				
Investment Systems	$	5,447,100	$	2,712,639
Investment Due Diligence	$	6,095,000	$	1,046,499
Custody Fees	$	1,400,000	$	366,667
Investment Manager Fees	$	125,827,100	$	35,118,796
Public Equities	$	68,827,100	$	19,818,521
Fixed Income	$	12,000,000	$	3,606,729
Real Estate	$	1,000,000	$	236,400
Alternative Assets	$	44,000,000	$	11,457,146
Total	**$**	**138,769,200**	**$**	**39,244,601**
Total appropriation	**$**	**151,023,600**	**$**	**43,472,841**

b) Budget to Actual Report FY2018

Budget to Actual Report FY 2018

Including All FY 2018 Activity Through 10/31/2017

For All Profit Centers Combined

		Budget	Actuals	Encumbrances	Actual plus Encumbrances	Budget Remaining
Operating Budget						
Personal Services						
Staff						
50000	Salaries	6,547,916.18	2,154,890.86	0.00	2,154,890.86	4,393,025.32
50010	Benefits	3,024,783.82	936,074.66	0.00	936,074.66	2,088,709.16
Staff Subtotal		9,572,700.00	3,090,965.52	0.00	3,090,965.52	6,481,734.48
Interns						
50500	Salary - Intern	0.00	7,480.19	0.00	7,480.19	-7,480.19
50510	Benefits - Intern	0.00	700.54	0.00	700.54	-700.54
Interns Subtotal		0.00	8,180.73	0.00	8,180.73	-8,180.73
Board						
50600	Salary - Board	25,500.00	6,000.00	0.00	6,000.00	19,500.00
50610	Benefits - Board	2,500.00	454.80	0.00	454.80	2,045.20
Board Subtotal		28,000.00	6,454.80	0.00	6,454.80	21,545.20
Personal Services Total		**9,600,700.00**	**3,105,601.05**	**0.00**	**3,105,601.05**	**6,495,098.95**
Travel						
Staff						
51000	Staff: Alaska Travel	43,725.00	1,397.36	0.00	1,397.36	42,327.64
51010	Staff: US/Canada Travel	365,460.00	28,734.35	0.00	28,734.35	336,725.65
51020	Staff: International Travel	83,600.00	15,476.12	0.00	15,476.12	68,123.88
Staff Subtotal		492,785.00	45,607.83	0.00	45,607.83	447,177.17
Board						
51210	Board: Alaska Travel	17,300.00	1,579.80	0.00	1,579.80	15,720.20
51220	Board: US/Canada Travel	30,000.00	0.00	0.00	0.00	30,000.00
Board Subtotal		47,300.00	1,579.80	0.00	1,579.80	45,720.20
Moving/Non Employee						
51300	New Employee Travel	20,000.00	0.00	0.00	0.00	20,000.00
51320	Shipment of Personal Property	30,415.00	0.00	0.00	0.00	30,415.00
51400	Trans/Per Diem Non Employees	15,000.00	0.00	0.00	0.00	15,000.00
Moving/Non Employee Subtotal		65,415.00	0.00	0.00	0.00	65,415.00
Travel Total		**605,500.00**	**47,187.63**	**0.00**	**47,187.63**	**558,312.37**
Contractual Services						
Expenses						
52723	Commissioner's Office	54,215.00	0.00	0.00	0.00	54,215.00
52724	Inter-agency Safety (Parking)	124.00	0.00	0.00	0.00	124.00
52726	Admin Services	28,846.00	0.00	0.00	0.00	28,846.00
Expenses Subtotal		83,185.00	0.00	0.00	0.00	83,185.00
Staff						
52721	Inter-agency Human Resources	31,261.00	0.00	0.00	0.00	31,261.00
Staff Subtotal		31,261.00	0.00	0.00	0.00	31,261.00

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Budget to Actual Report FY 2018

Including All FY 2018 Activity Through 10/31/2017

For All Profit Centers Combined

		Budget	Actuals	Encumbrances	Actual plus Encumbrances	Budget Remaining
Professional Services						
52100	Annual Audit	145,500.00	0.00	145,500.00	145,500.00	0.00
52110	Auditor Consulting	10,000.00	0.00	0.00	0.00	10,000.00
52490	Consulting Other	45,000.00	16,649.56	37,350.44	54,000.00	-9,000.00
52510	Legal Fees Corp Matters	75,000.00	468.00	0.00	468.00	74,532.00
52520	DOL Legal	30,000.00	0.00	0.00	0.00	30,000.00
Professional Services Subtotal		305,500.00	17,117.56	182,850.44	199,968.00	105,532.00
Public Educ./Info. Progra						
52600	Communications Program	102,000.00	24,966.37	67,433.75	92,400.12	9,599.88
Public Educ./Info. Program Subtotal		102,000.00	24,966.37	67,433.75	92,400.12	9,599.88
IT Services						
52700	IT Consulting Services	96,500.00	0.00	0.00	0.00	96,500.00
52704	MIS System Services	100,000.00	0.00	0.00	0.00	100,000.00
53810	Netwk/Server Software Lic/Mnt.	283,200.00	36,215.14	1,113.49	37,328.63	245,871.37
IT Services Subtotal		479,700.00	36,215.14	1,113.49	37,328.63	442,371.37
Communications						
53100	Phone/Fax Lines/Toll/Cell	40,000.00	10,268.96	31,453.13	41,722.09	-1,722.09
53110	State EPR Charge	4,000.00	0.00	0.00	0.00	4,000.00
53120	Tele/Videoconferencing	7,500.00	0.00	0.00	0.00	7,500.00
53140	Mobile Devices	35,000.00	529.98	-529.98	0.00	35,000.00
Communications Subtotal		86,500.00	10,798.94	30,923.15	41,722.09	44,777.91
Investment Systems						
Investment Systems Subtotal		0.00	0.00	0.00	0.00	0.00
Postage/Transportation						
53300	Inter-agency Mail	4,000.00	0.00	0.00	0.00	4,000.00
53320	Delivery Services	2,300.00	539.75	529.40	1,069.15	1,230.85
53325	Postage	250.00	0.00	0.00	0.00	250.00
Postage/Transportation Subtotal		6,550.00	539.75	529.40	1,069.15	5,480.85
Advertising/Printing/Bind						
53440	Recruitment Notices	20,000.00	0.00	0.00	0.00	20,000.00
53500	Communications Advert/Print	44,500.00	12,191.63	31,520.37	43,712.00	788.00
Advertising/Printing/Binding Subtotal		64,500.00	12,191.63	31,520.37	43,712.00	20,788.00
Repairs/Maintenance						
53600	Office Furniture/Other Repair	3,000.00	108.50	0.00	108.50	2,891.50
53610	Copier/FAX Maintenance	11,500.00	2,183.94	9,316.06	11,500.00	0.00
53650	IT Equipment Repair	50,900.00	837.00	5,001.00	5,838.00	45,062.00
Repairs/Maintenance Subtotal		65,400.00	3,129.44	14,317.06	17,446.50	47,953.50
Leases						
53700	Office Rent/Lease	510,000.00	252,468.00	252,468.00	504,936.00	5,064.00
53710	Records Retention Storage	2,500.00	549.00	1,951.00	2,500.00	0.00
53720	Copier Lease	5,000.00	794.52	1,589.04	2,383.56	2,616.44
53790	Other Rent/Leases	1,000.00	570.00	450.00	1,020.00	-20.00
Leases Subtotal		518,500.00	254,381.52	256,458.04	510,839.56	7,660.44
Training/Education						
53900	Training & Conferences	56,500.00	9,304.45	0.00	9,304.45	47,195.55

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Budget to Actual Report FY 2018

Including All FY 2018 Activity Through 10/31/2017

For All Profit Centers Combined

		Budget	Actuals	Encumbrances	Actual plus Encumbrances	Budget Remaining
Training/Education Subtotal		56,500.00	9,304.45	0.00	9,304.45	47,195.55
Meeting Expenses						
53920	Meeting Room/Equipment Rental	6,800.00	45.20	0.00	45.20	6,754.80
53930	Catering/Food/Coffee Fund	20,700.00	180.00	0.00	180.00	20,520.00
53940	Meeting Transcription	26,000.00	0.00	0.00	0.00	26,000.00
53990	Other Meeting Expenses	1,000.00	55.00	0.00	55.00	945.00
Meeting Expenses Subtotal		54,500.00	280.20	0.00	280.20	54,219.80
Other						
52722	Inter-agency Insurance	4,728.00	0.00	0.00	0.00	4,728.00
53995	Other Misc Expenses	15,663.00	31,470.00	0.00	31,470.00	-15,807.00
55120	PCard Holding	0.00	107,872.77	0.00	107,872.77	-107,872.77
Other Subtotal		20,391.00	139,342.77	0.00	139,342.77	-118,951.77
State Support Services						
52720	Inter-agency Financial	1,413.00	0.00	0.00	0.00	1,413.00
State Support Services Subtotal		1,413.00	0.00	0.00	0.00	1,413.00
Contractual Services Total		**1,875,900.00**	**508,267.77**	**585,145.70**	**1,093,413.47**	**782,486.53**
Commodities						
Commodities						
53400	Subscriptions	27,530.00	4,623.98	5,916.08	10,540.06	16,989.94
55100	Office Supplies	12,000.00	2,120.86	265.14	2,386.00	9,614.00
55400	IT Supplies (FKA commodities)	2,300.00	0.00	0.00	0.00	2,300.00
55450	Workstation Equipment	51,270.00	1,201.97	0.00	1,201.97	50,068.03
55600	Office Furniture/Equipment	4,200.00	0.00	0.00	0.00	4,200.00
Commodities Subtotal		97,300.00	7,946.81	6,181.22	14,128.03	83,171.97
Commodities Total		**97,300.00**	**7,946.81**	**6,181.22**	**14,128.03**	**83,171.97**
Equipment						
Equipment						
55475	Network/Server Equip. > $5 K	80,000.00	0.00	0.00	0.00	80,000.00
Equipment Subtotal		80,000.00	0.00	0.00	0.00	80,000.00
Equipment Total		**80,000.00**	**0.00**	**0.00**	**0.00**	**80,000.00**
Operating Budget Total		**12,259,400.00**	**3,669,003.26**	**591,326.92**	**4,260,330.18**	**7,999,069.82**
Invmt Mgt Fees Budget						
Contractual Services						
Professional Services						
Professional Services Subtotal		0.00	0.00	0.00	0.00	0.00
Investment Systems						
52480	Consulting & Modeling	1,319,500.00	220,300.82	19,200.18	239,501.00	1,079,999.00
53280	Shared Services/Analytics/Data	4,402,600.00	620,062.25	1,832,676.22	2,452,738.47	1,949,861.53
53281	Invest/Fin Network Access Fees	25,000.00	5,100.00	15,300.00	20,400.00	4,600.00

Garbage In = Garbage Out. You MUST run the " Contract / PO Data Mis-Match" report and the "Contract Date Audit" and fix any errors PRIOR to running this "Budget to Actual Report." Complete instructions on how to fix errors are included on each audit report.

Budget to Actual Report FY 2018

Including All FY 2018 Activity Through 10/31/2017

For All Profit Centers Combined

		Budget	Actuals	Encumbrances	Actual plus Encumbrances	Budget Remaining
Investment Systems Subtotal		5,747,100.00	845,463.07	1,867,176.40	2,712,639.47	3,034,460.53
Investment Due Diligence						
52405	Fiduciary Advice	2,000,000.00	102,499.99	487,500.01	590,000.00	1,410,000.00
52415	Subject Matter Experts	1,380,000.00	0.00	0.00	0.00	1,380,000.00
52435	Performance Measurement	650,000.00	163,909.00	0.00	163,909.00	486,091.00
52440	Research & Memberships	100,000.00	16,720.00	0.00	16,720.00	83,280.00
52455	Manager Searches	160,000.00	38,250.00	0.00	38,250.00	121,750.00
52502	Legal Fees-Investment Specific	1,500,000.00	205,528.57	0.00	205,528.57	1,294,471.43
Investment Due Diligence Subtotal		5,790,000.00	526,907.56	487,500.01	1,014,407.57	4,775,592.43
Custody						
52200	Custody Fees	1,400,000.00	366,666.68	0.00	366,666.68	1,033,333.32
Custody Subtotal		1,400,000.00	366,666.68	0.00	366,666.68	1,033,333.32
Investment Manager Fees						
52300	Public Equities Manager Fees	68,827,100.00	19,818,521.44	0.00	19,818,521.44	49,008,578.56
52310	Fixed Income Manager Fees	6,250,000.00	3,606,729.27	0.00	3,606,729.27	2,643,270.73
52320	Real Estate Manager Fees	4,500,000.00	236,400.00	0.00	236,400.00	4,263,600.00
52330	Alternative Markets Mgr Fees	46,250,000.00	11,457,145.97	0.00	11,457,145.97	34,792,854.03
Investment Manager Fees Subtotal		125,827,100.00	35,118,796.68	0.00	35,118,796.68	90,708,303.32
Contractual Services Total		**138,764,200.00**	**36,857,833.99**	**2,354,676.41**	**39,212,510.40**	**99,551,689.60**
Invmt Mgt Fees Budget Total		**138,764,200.00**	**36,857,833.99**	**2,354,676.41**	**39,212,510.40**	**99,551,689.60**
Total Before Legislative Appropriations		**151,023,600.00**	**40,526,837.25**	**2,946,003.33**	**43,472,840.58**	**107,550,759.42**

Legislative Appropriation

Legislative Appropriation

		Budget	Actuals	Encumbrances	Actual plus Encumbrances	Budget Remaining
Legislative Appropriation						
59100	Law Legislative Appropriation	2,616,500.00	0.00	0.00	0.00	2,616,500.00
59200	DNR Legislative Appropriation	5,959,400.00	5,959,400.00	0.00	5,959,400.00	0.00
59300	DOR Legislative Appropriation	94,100.00	0.00	0.00	0.00	94,100.00
Legislative Appropriations Subtotal		8,670,000.00	5,959,400.00	0.00	5,959,400.00	2,710,600.00
Legislative Appropriations Total		**8,670,000.00**	**5,959,400.00**	**0.00**	**5,959,400.00**	**2,710,600.00**
Legislative Appropriations Total		**8,670,000.00**	**5,959,400.00**	**0.00**	**5,959,400.00**	**2,710,600.00**
Grand Total		**159,693,600.00**	**46,486,237.25**	**2,946,003.33**	**49,432,240.58**	**110,261,359.42**

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c) Supplemental Appropraition Request Memo

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Supplemental Appropriation Request ACTION: _____X___

DATE: December 12, 2017 INFORMATION: ___________

BACKGROUND:

The projection of and budget for external manager fees is prepared almost a full year before the commencement of a fiscal year. Actual investment performance for both the prior fiscal year (during which the projection is prepared) and the present fiscal year are both unknown at the time of the projection, and as a result what is finally paid in manager fees usually varies from the budgeted amount.

Staff monitors both the value of underlying investments and the resulting external manager fees paid in the early part of a fiscal year, as well as current market conditions, to determine if it is prudent to request a supplemental appropriation for manager fees.

STATUS:

Strong market returns over the last 18 months have caused growth in the Permanent Fund's externally managed portfolios that exceeded the projections used for FY2017 and FY2018 when preparing the FY2018 budget request.

The FY2018 appropriation for external manager fees is $125.8 million. Current projections, including incentive fees for calendar 2017, indicate that the APFC will pay $123.6 million in manager fees in FY2018.

The deadline by which APFC must submit an FY2018 supplemental budget request is prior to the February Board of Trustees meeting. And unanticipated market performance or manager changes could cause the actual amount of fees paid to exceed projections. As a result, it appears prudent to go forward with a supplemental budget request for manager fees at this time. Any funds that are requested and not expended will simply lapse at the close of the fiscal year and will remain in the Permanent Fund.

RECOMMENDATION:
Proposed Board motion:

"The Board of Trustees moves to direct staff to carry forward a $5,000,000 supplemental budget request for the FY2018 Investment Management Fee allocation to fund external manager fees. The Board also authorizes staff to adjust the supplemental request as needed as the fiscal year progresses."

Chief Investment Officer's Report Memo

APFC ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT:	Chief Executive Officer's Reports	ACTION:	____
DATE:	December 12, 2017	INFORMATION:	X

STATUS:

The Chief Investment Officer Russell Read will transmit his report of the fund performance and positioning by speech for the period covering July 1 through September 30, 2017.

a) Chief Investment Officer's Report

CIO Report for the December 12, 2017 APFC Board Meeting

Good morning, Mr. Chairman and members of the Permanent Fund Board.

I am happy to report that the strong investment returns that the Alaska Permanent Fund enjoyed during the past fiscal year ending June 30 have continued into and beyond the first quarter of the current fiscal year. Specifically, the 3-month overall investment return for the Permanent Fund was 4.2%, driven by a 7.7% return in private equity and special growth opportunities and a 5.9% return in publicly-traded stocks, as well as positive returns in APFC's Fixed-Income-Plus, Infrastructure, Private Credit, and Absolute Return Portfolios. Total assets of the Permanent Fund grew commensurately to $61.5 billion as of September 30 even after accounting for the annual distribution to the State for the PFD—the Permanent Fund Dividend. Moreover, continuing strength since September 30 has propelled the total assets of the Permanent Fund to exceed $63 billion, with an estimated fiscal year-to-date return through November of nearly 7%, exclusive of the roughly $530 million managed on behalf of the Alaska Mental Health Trust.

On a longer-term basis, investment returns for the Permanent Fund have also proven strong with 1-, 3-, and 5-year annualized returns of 12.8%, 7.9%, and 8.8%, respectively as of September 30. In terms of context, the 1-year 12.8% return outperformed the short-term passive index benchmark by 2.3%, the 3-year 7.9% return outperformed the medium-term public+private market performance benchmark (which is a proxy for our peers) by 1.4%, and the 5-year 8.8% return outperformed APFC's long-term CPI+5% benchmark by 2.5%. These excess returns translate to a dollar-value-added equivalent of $1.1 billion over the past year versus short-term passive indexes, $2.1 billion over three years (or an average of $700 million annually) versus the medium-term public+private market benchmark, and $5 billion over the past 5-years (or an average of over $1 billion annually) versus APFC's long-term CPI+5% benchmark. Also, despite the paying out of this year's PFD, the Earnings Reserve has remained roughly stable since fiscal year-end at $13.4 billion as of September 30. Further peer group

comparisons will be provided later this morning by Callan, but overall we are confident that the investment program reflects resilience during this critical time as the State of Alaska evaluates its future fiscal course.

What makes these returns particularly compelling is that they have been achieved in a more diversified, less risky way than most of our public plan or sovereign wealth plan peers. Specifically, those plans typically devote more than half of their allocations to publicly-traded stocks in contrast to the Permanent Fund which averages a 40% allocation to that asset class. In the past this meant that the Permanent Fund generally trailed peers during periods of strength in the stock market. However, especially because of the strong programs we strategically developed and the investment returns which were earned over the past 5 years in Private Equity and Infrastructure, our more diversified approach to investing no longer means that we will trail peers during strong markets for publicly-traded stocks.

So, what is driving the general strength across the publicly-traded stock markets? In two words, it has been—Earnings and Deregulation. Indeed, the seven-year stock market rally which has prevailed largely since the end of the Global Financial Crisis in 2010 has lasted far longer than normally expected primarily because corporate earnings–especially in the United States—have continued to grow significantly. Moreover, the loosening of regulations (in combination with the expectation of a decrease in future corporate tax rates) foreshadow a continuation of profit expansion for many US corporations in the short-term. That aside, there are significant reasons for caution with respect to the future returns of US stocks. P/e, or Price-to-earnings ratios remain historically high (although not unprecedentedly so) in absolute terms and particularly with respect to companies in the international Developed and Emerging Markets. In effect, we believe there is very little potential "bad news" baked into the valuation for US stocks, and accordingly, that their risk has shifted towards a negative potential surprise in the form of political events or earnings downturns. Perhaps more importantly, as indicated by Callan at our September Board meeting, future expected returns for US stocks may become muted over the coming

few years after a multi-year period of unusual strength. We thus anticipate allocating much of our recent stock market gains into both income opportunities (Fixed-Income Plus, Infrastructure, Real Estate, Private Credit) and Private Equity over the coming months.

In terms of where we are seeking to improve prospective investment returns, two asset classes stand out—APFC's Absolute Return and Real Estate Portfolios—as well as asset allocation and investment efficiency. As you may remember as of eighteen months ago, APFC began an overhaul of its absolute return program, terminating its funds-of-hedge-funds mandates, and focusing on a diversified portfolio of specific hedge fund investments, each with little overall sensitivity to US stock market returns. The results have been dramatic and can be appreciated in the difference between APFC's short-term and long-term performance for that asset class. Specifically, 3-year and 5-year annualized returns of 2.4% and 3.8% have trailed both the hedge fund index and APFC's CPI+5% benchmark by several percentage points. However, over the past twelve months, this underperformance has reversed. Namely, the program's 7.8% return has exceeded both the hedge fund index and APFC's CPI+5% benchmark, all while positioning the Permanent Fund overall to better weather potential future downdrafts in US stocks.

Real Estate, in contrast, has been a long-term success story for the Permanent Fund with 5-year annualized returns of 10%. That said, as highlighted by Callan at our last meeting, the run-up in US real estate over the past several years has eroded the prospect for future returns simply for holding core US real estate assets to as low as CPI+3.5% over the coming 5-10 years. As we revise and enhance our future strategy for real estate investing over the coming months, our focus will be on lowering the costs and increasing the efficiency of owning core US real estate, while securing compelling returns and continuing to limit risks in development and international real estate opportunities.

APFC's development work on asset allocation and investment efficiency has led to a more diversified portfolio than most of our plan peers, while seeking compelling long-term returns from the

full range of international investments across asset classes. Recent 5-year Sharpe Ratios (reflecting the ratio of investment returns achieved for every unit of risk undertaken) have generally exceeded our overall target of 0.5. However, maintaining that 0.5 or better efficiency ratio over a complete cycle of both up and down stock markets will pose the true challenge—largely determining APFC's ability to deliver its long-term CPI+5% or better returns for the long-term.

Today, each APFC investment team will discuss its strategy for achieving best-in-class investment performance in the future and the investment risks we are undertaking within and across asset classes. In addition, tomorrow you will hear and participate in a panel discussion evaluating the potential advantages and limitations for managing investments using internal teams versus external managers.

Thank you in advance for your consideration, questions, and recommendations. We very much look forward to our work with you over the coming two days. I am happy to answer any questions you may have regarding APFC's overall investment strategy and outlook.

Risk and Asset Allocation Memo

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Risk Measurement, Management, and Efficiency

ACTION: _____

DATE: December 12, 2017

INFORMATION: ___X_

BACKGROUND:

The Risk and Performance Dashboard provides a snapshot of the asset allocation and a framework with statistics for measuring risks according to modern portfolio theory.

STATUS:

At this meeting staff will present some of the key measures of the Risk and Performance of the Fund. The graphical presentation of the Corporation's key risk measures include statistics that measure dollar allocation risk, specific risks, performance reporting, absolute risk, total risk, contribution to risk, tracking error, risk scenarios, stress tests, and value at risk. All these measures are set in the Investment Policy Manual as risk guidelines that staff must monitor.

a) Risk and Asset Allocation Presentation

APFC ALASKA PERMANENT FUND CORPORATION

Portfolio Overview
Risk and Asset Allocation

Valeria Martinez

December 12, 2017

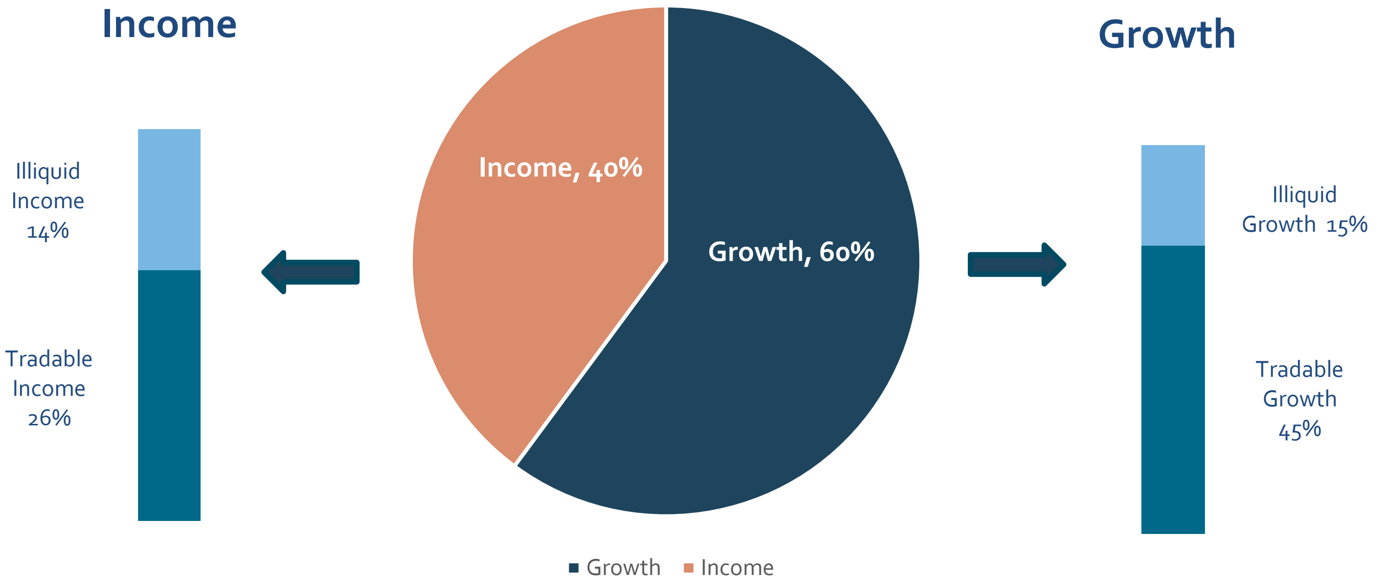
Overview

- Dollar Allocation
- Risk Management
- Liquidity Risk
- Performance

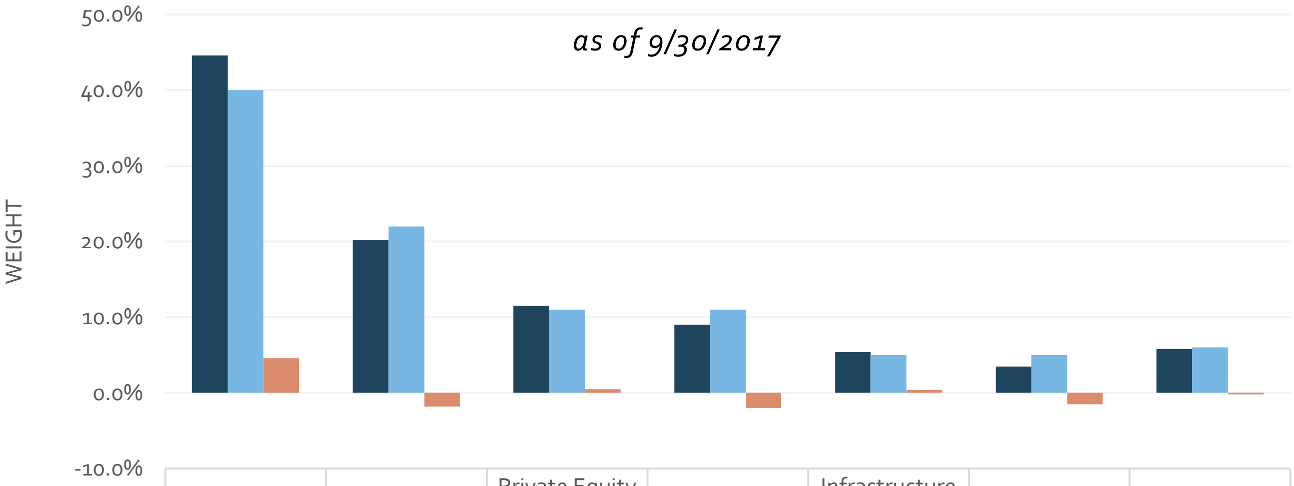

Dollar Allocation

Asset Allocation by Objective

as of 09/30/2017



Asset Allocation by Strategy

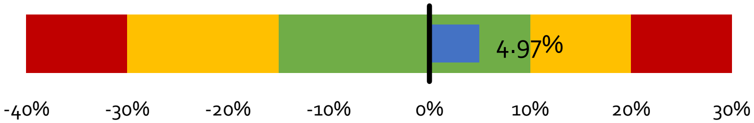


	Public Equities	Fixed Income Plus	Private Equity & Special Growth	Real Estate	Infrastructure & Special Income	Absolute Return	Asset Allocation
Actual	44.6%	20.2%	11.5%	9.0%	5.4%	3.5%	5.8%
Target	40.0%	22.0%	11.0%	11.0%	5.0%	5.0%	6.0%
Difference	4.60%	-1.80%	0.50%	-2.00%	0.40%	-1.50%	-0.20%

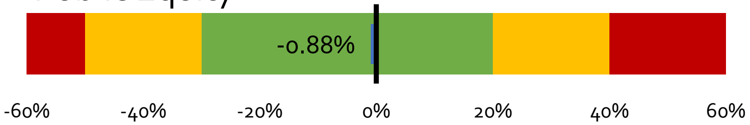
Risk Management

Value at Risk & Tracking Error *as of 09/30/2017*

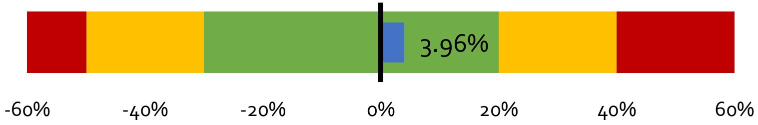
Total Portfolio



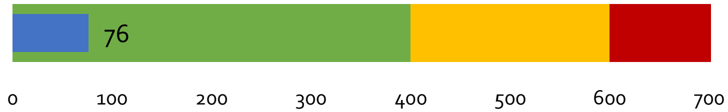
Public Equity



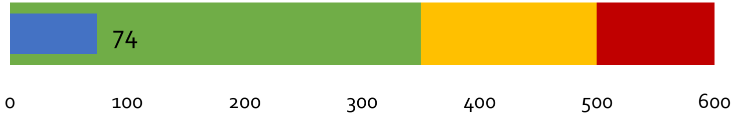
Fixed Income Plus



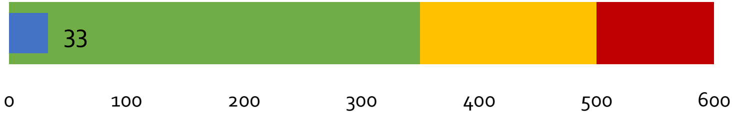
Total Portfolio



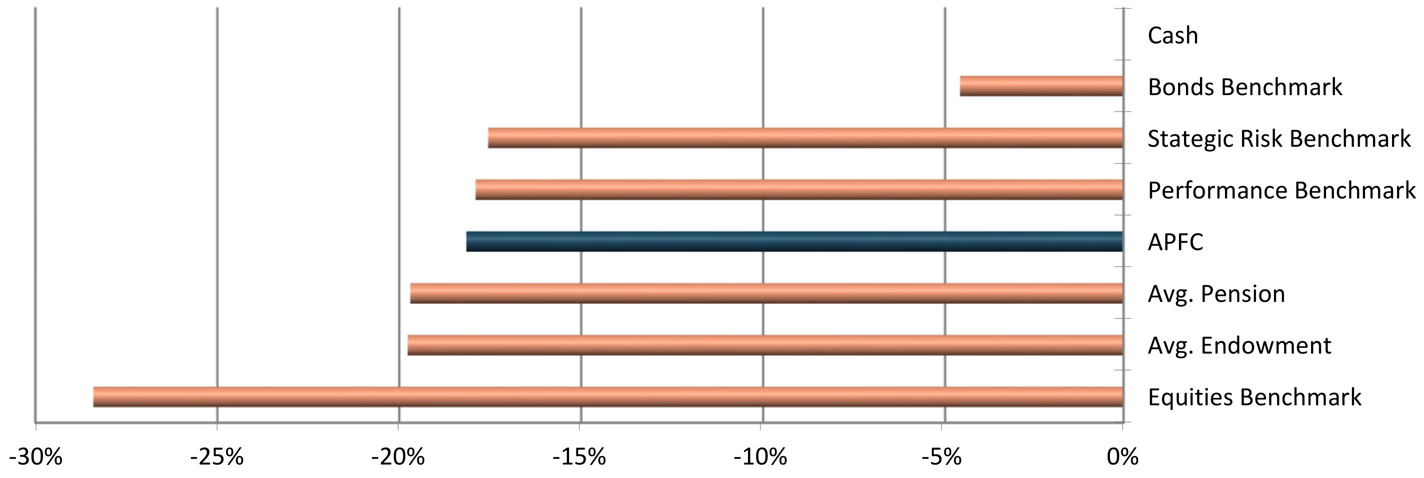
Public Equity



Fixed Income Plus

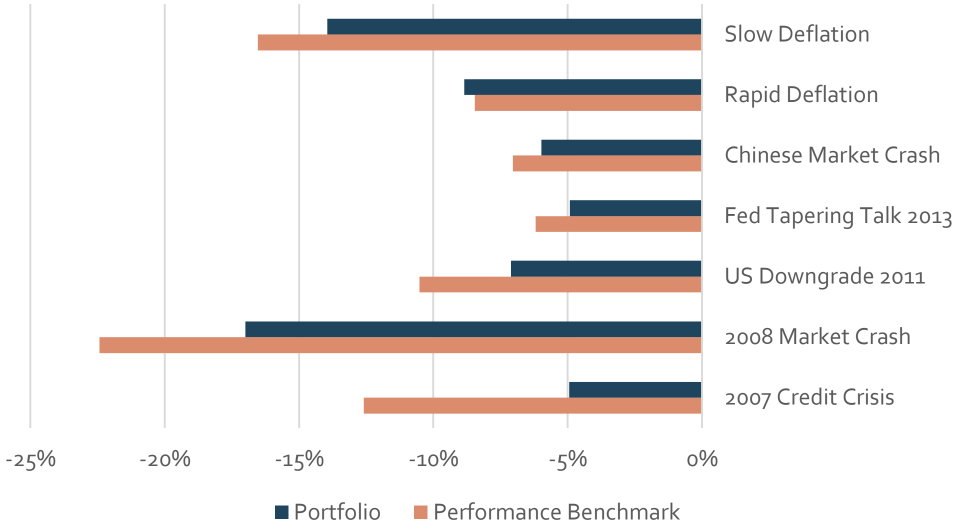


Absolute Risk, Value at Risk *as of 09/30/2017*



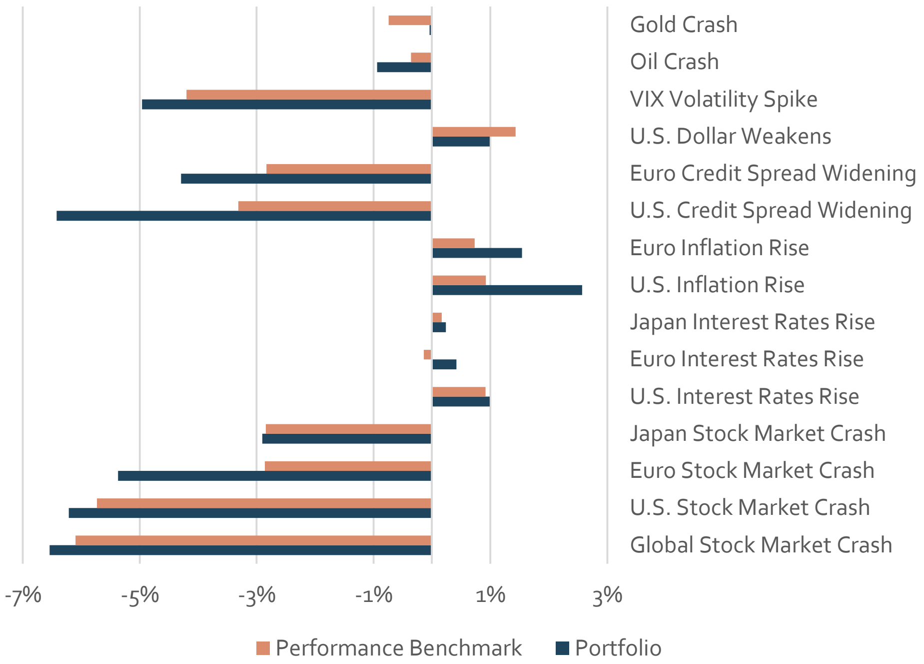
Tail Risk: Scenarios *as of 09/30/2017*

Scenario	Definition
Slow Deflation	LT deflation down 200 bps; LT Treasury Rates down 100 bps; Mortgage spreads tighten 25 bps.
Rapid Deflation	Oil down 60% (6000 bps); ST Inflation down 350 bps; Mortgage spreads tighten 25 bps.
Chinese Market Crash	Chinese stock market crash beginning with the popping of the stock market bubble on June 12, 2017.
Fed Tapering Talk 2013	Equity & bond markets sold off. EM suffered badly due to hot money flight back to U.S.
US Downgrade 2011	The period starts with 50% chance US downgrade indication from S&P standards and ends with Operational Twist announcement from the Fed (stock market losses and bond market gains).
2008 Market Crash	S&P 500 down 20% (2000 bps).
2007 Credit Crisis	Credit & liquidity crisis stemming from a severe slowdown in the housing market causing significant widening of credit spreads and increased implied volatility.



Tail Risk: Stress Test *as of 09/30/2017*

Shock Name	Shock Definition
Global Stock Market Crash	MSCI World -8.97%
U.S. Stock Market Crash	S&P 500 -9.29%
Euro Stock Market Crash	DAX 30 -16.71%
Japan Stock Market Crash	Nikkei 225 -13.84%
U.S. Interest Rates Rise	U.S. 10yr +0.505%
Euro Interest Rates Rise	Euro 10yr +0.3446%
Japan Interest Rates Rise	Japan 10yr +0.1261%
U.S. Inflation Rise	U.S. 10yr Inflation +0.2746%
Euro Inflation Rise	Europe 10yr Inflation +0.3969%
U.S. Credit Spread Widening	U.S. Investment Grade Spreads +29.96%
Euro Credit Spread Widening	Europe Investment Grade Spreads +29.61%
U.S. Dollar Weakens	Dollar Index -4.79%
VIX Volatility Spike	U.S. S&P VIX +17.2%
Oil Crash	Oil 011.73%



Tail Risk: Stress Test *as of 09/30/2017*

Shock Name	Shock Definition
Global Stock Market Rise	MSCI World +8.97%
U.S. Stock Market Rise	S&P 500 +9.29%
Euro Stock Market Rise	DAX 30 +16.71%
Japan Stock Market Rise	Nikkei 225 +13.84%
U.S. Interest Rates Fall	U.S. 10yr -0.505%
Euro Interest Rates Fall	Euro 10yr -0.3446%
Japan Interest Rates Fall	Japan 10yr -0.1261%
U.S. Inflation Fall	U.S. 10yr Inflation -0.2746%
Euro Inflation Fall	Europe 10yr Inflation -0.3969%
U.S. Credit Spread Tightening	U.S. Investment Grade Spreads -29.96%
Euro Credit Spread Tightening	Europe Investment Grade Spreads -29.61%
U.S. Dollar Strengthens	Dollar Index +4.79%
VIX Volatility Fall	U.S. S&P VIX -17.2%
Oil Rise	Oil +11.73%

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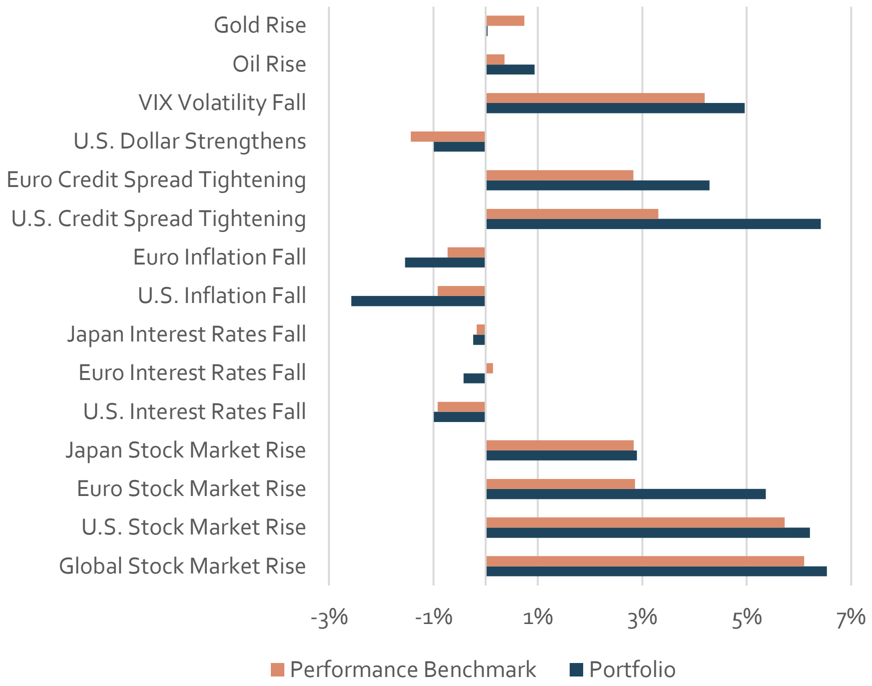
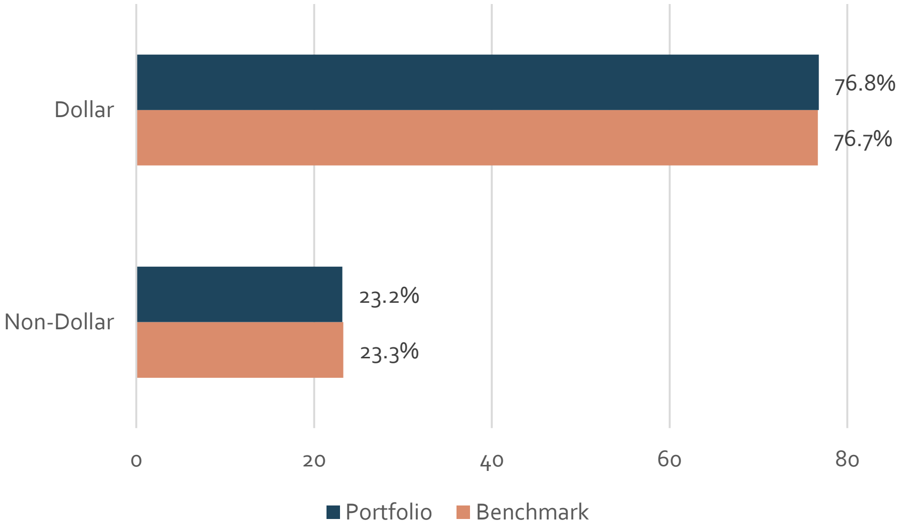
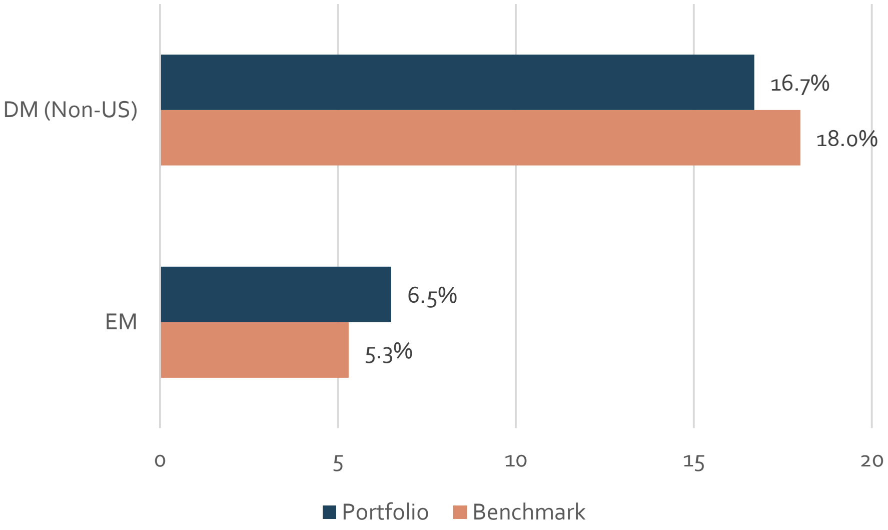
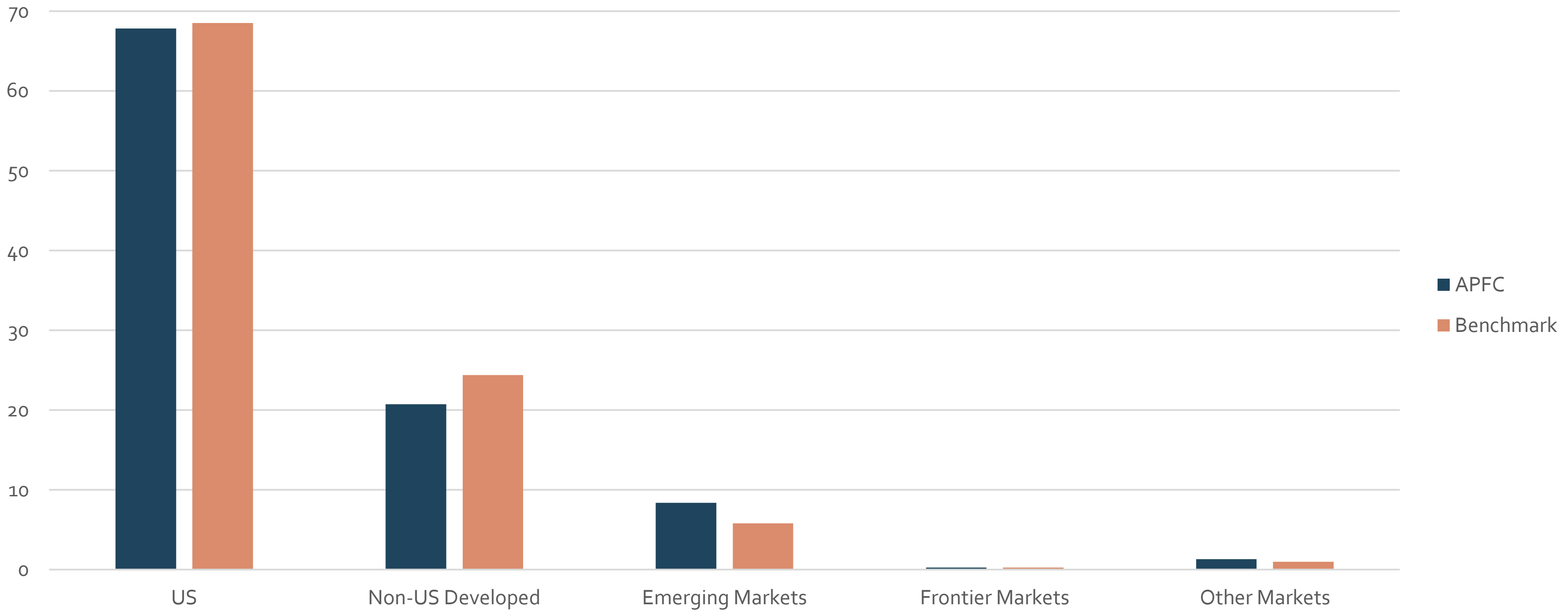


Currency Risk *as of 09/30/2017*



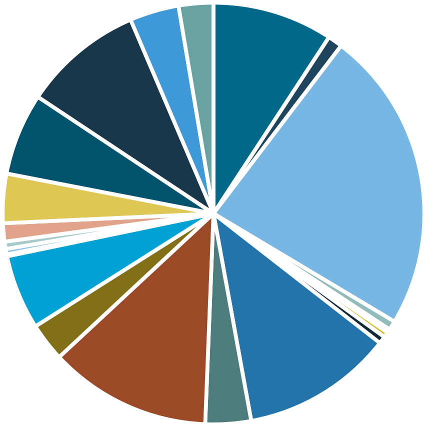


Geographic Risk *as of 09/30/2017*



Geographic Risk *as of 09/30/2017*

Emerging Market Country Exposure

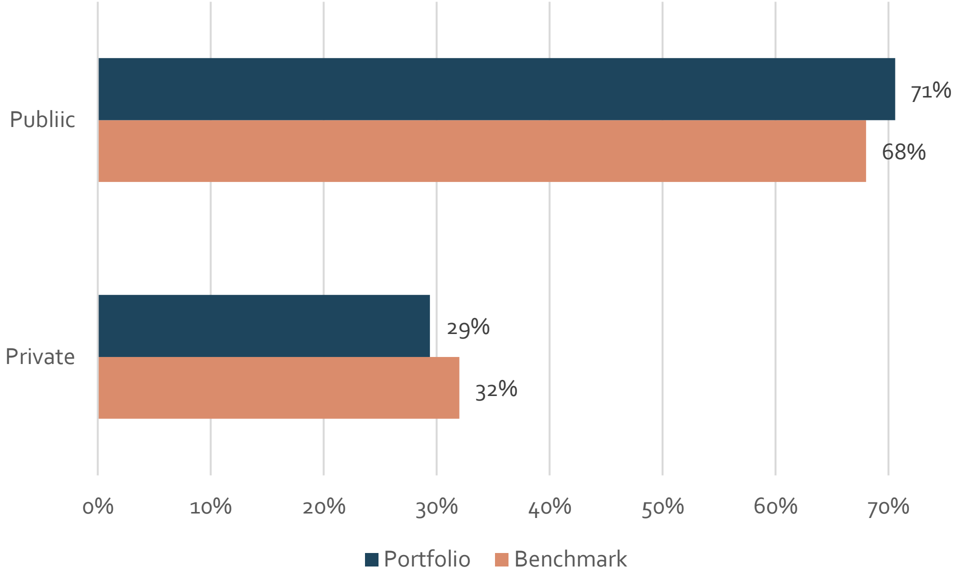


Top EM Exposures

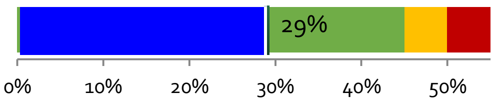
Country Name	Exposure ($ millions)
China	1,028
South Korea	551
India	514
Taiwan	409
Brazil	409
South Africa	279
Mexico	254
Total	**5.6% NAV**
Total EM Exposure	**8.4% NAV**


Liquidity Risk

Public vs. Private *as of 09/30/2017*



Private Investment Limits



Public: 144A and securities registered and/or traded on an exchange.
Private: unregistered securities that do not trade on an exchange. The price is set through negotiation between the buyer and the seller/issuer (Private Equity, Real Estate, Infrastructure, Hedge Funds, Private credit).
Source: Bank of New York Mellon

Capital Committed to Private Investments *as of 09/30/2017*

Investments	APFC Allocation	Committed to Managers	Total Drawn	Total Undrawn	Forecast 1 Year
Private Equity & Growth Opportunities	$6,647	$12,331	$8,526	$3,000	$900
Infrastructure, Private Credit & Income Opportunities	$3,626	$5,456	$3,734	$1,992	$700
Total	$10,273	$17,787	$12,260	$4,992	$1,600

Future Commitments Limits

Source: Managers
Total Undrawn amount represents unfunded commitment


Performance

Performance *as of 09/30/2017*

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Fund	4.15%	12.84%	7.91%	8.78%
Performance Benchmark	3.56%	11.67%	6.56%	7.84%
Passive Benchmark	3.79%	10.56%	5.64%	6.84%
CPI+5%	1.96%	6.22%	6.22%	6.30%

Performance Benchmark as of 09/30/2017: 41.7% MSCI ACWI IMI, 11.5% NCREIF 1Q Lag, 11.5% CAPEI 1Q Lag, 5.7% Blmbg Aggregate, 5.7% Blmbg Corporate, 5.2% HFRI Fund Weighted Compos, 3.2% 3-month Treasury Bill, 3.1% FTSEIFRTR 1Q Lag, 2.3% Blmbg Glob Treas ex US H, 2.3% S&P Global REIT (Net), 2.2% Blmbg HY 2% Iss Cap, 2.2% FLHY 1Q Lag, 1.1% Blmbg EM Hard Curr Agg, 1.1% Blmbg US TIPS and 1.1% S&P Global Infra Net Idx.

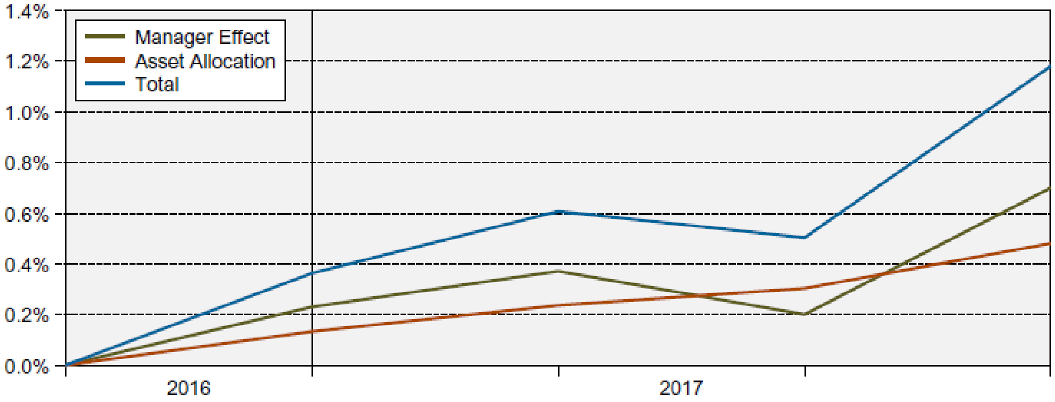
Passive Index Benchmark as of 6/30/2010: 60% MSCI ACWI IMI/ 30% BC Global Agg/10% MS US REITs; through 6/30/13: 60% MSCI ACWI IMI/ 30% BC Global Agg,/5% MS US REITs/ 5% 3 month T-bills; and 60% MSCI ACWI IMI, 20% BC Global Agg, 10% FTSE EPRA/NAREIT Rental and 10% US TIPS thereafter.

Fund vs. Risk Benchmark *as of 09/30/2017*

3 months ending 09/17	Portfolio Weight	Portfolio Return	Benchmark Weight	Benchmark Return	Relative Contribution
Public Equities	44.6%	5.87%	40%	5.32%	0.49%
Fixed Income Plus	20.2%	1.52%	22%	1.26%	0.03%
Private Equity and Growth	11.5%	7.68%	11%	4.85%	0.35%
Real Estate	9.0%	-0.58%	11%	1.75%	-0.24%
Infrastructure, Private Credit and Income Opportunities	5.4%	5.50%	5%	3.45%	0.12%
Absolute Return	3.5%	2.01%	5%	2.25%	-0.05%
Asset Allocation	5.8%	2.05%	6%	2.44%	-0.09%

One Year Relative Attribution

Cumulative Relative Attribution Effects

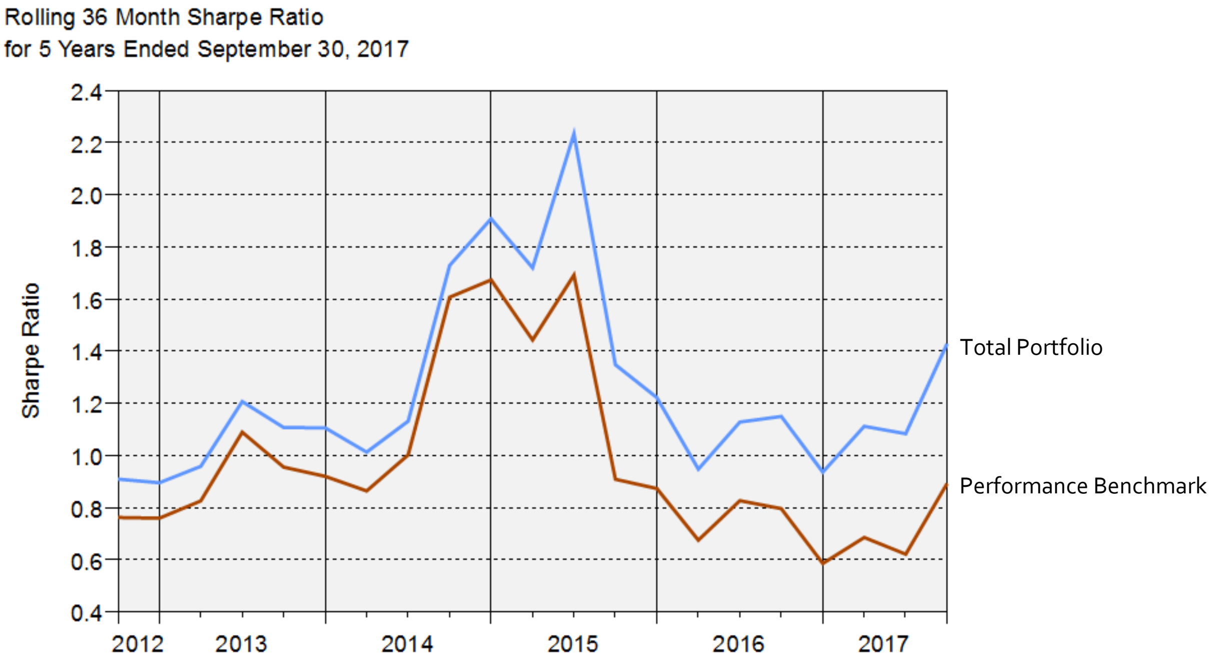


One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Public Equities	42%	40%	19.71%	18.73%	0.40%	0.14%	0.54%
Fixed Income Plus	19%	22%	2.77%	2.09%	0.15%	0.32%	0.46%
Real Estate	10%	11%	4.80%	6.97%	(0.18%)	0.09%	(0.10%)
Priv Credit/Infra/Income	5%	5%	13.74%	10.89%	0.14%	(0.01%)	0.14%
Absolute Return	4%	5%	7.62%	7.14%	0.04%	0.06%	0.11%
Private Equity & Growth	11%	11%	20.32%	15.76%	0.48%	(0.03%)	0.45%
Asset Allocation	9%	6%	4.63%	7.98%	(0.33%)	(0.09%)	(0.42%)
Total			**12.84%**	**= 11.66%**	**+ 0.70%**	**+ 0.48%**	**1.18%**

127/459

Efficiency


Rolling 36 Month Sharpe Ratio
for 5 Years Ended September 30, 2017
Sharpe Ratio
2.4
2.2
2.0
1.8
1.6
1.4
1.2
1.0
0.8
0.6
0.4
2012
2013
2014
2015
2016
2017
Total Portfolio
Performance Benchmark

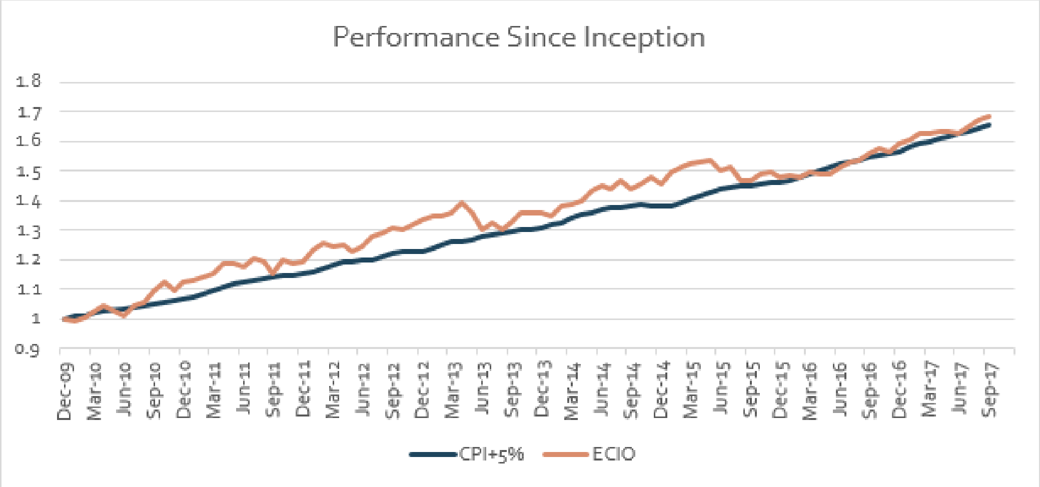

Asset Allocation
Portfolio Update

Asset Allocation Portfolio

Portfolio Performance

($ in millions)	9/30/2017 NAV	1 QTR Return	1 Year Return	3 Year Return	5 Year Return
Internal Liquidity					
Internal Cash	290	0.28%	0.71%	0.29%	0.18%
FI Liquidity	801	0.31%	-	-	-
Total - Liquidity	**1,091**	-	-	-	-
ECIO's					
AQR	848	3.69%	6.70%	7.61%	7.16%
Bridgewater	814	2.39%	8.57%	4.61%	4.74%
Goldman Sachs	817	3.95%	9.32%	4.11%	5.19%
Total - ECIO's	**2,479**	**3.35%**	**8.17%**	**5.42%**	**5.21%**
Total - Overall	**3,570**	**2.05%**	**4.63%**	**2.55%**	**2.72%**

Source: Callan, Managers, and Investment Staff Calculations



Special Assignments

GSAM

- Strategic advice
- Knowledge sharing
- Investment Insights and Access
- Risk management
- Institutional Capacity Building

AQR

- Custom Analyses
- Market Insight
- Presentation and Events

Bridgewater

- Research and Understanding
- Consulting, Custom Analyses, and Self-Serve Analytical Tools
- Advice and Dialogue on Organizational Issues

GSAM: Summary of Board Engagements and Portfolio Discussions

Access to GS Resources

- Board Meeting Presentations:
  - Q3 2010: Inflation Forum Panel
  - Q1 2011: Emerging Markets Debt
  - Q3 2011: US Economic Forum & Public Reception
  - Q2 2012: Tail Risk Hedging
  - Q1 2013: Factor-Based Investing
  - Q1 2014: Hedging Equity Risk
  - Q3 2015: Dodd Frank – 5 Years Later
  - Q4 2016: Managing Currency Exposure
- GSAM Symposium
- Infrastructure Advisory Board
- GS offered access to our extensive and current proprietary research library from GSAM and GIR through Goldman 360
- GS enrolled staff in Goldman Sachs leadership school known as the Pine Street Senior Leadership Program

APFC Portfolio Discussions

- Portfolio & Performance Reviews
- Market & Economic Outlook
- GSAM Factor Risk Budgeting Framework
- Thematic Discussions such as:
  - Opportunistic Investing in Public & Private Markets
  - Effects of Oil Prices on a Multi-Asset Class Portfolio
  - Multi-Asset Class Portfolio Evolution to Changing Investment Objectives
  - Evolution of Absolute Return Risk Budget
  - Deep Dive on Alternative Risk Premia Strategies

AQR: Summary of engagements since 2010

Custom Analyses

- Hedge Fund and Style Risk Premia Analysis
- Factor Analysis
- Q-Q Plot Analysis
- General Analytical Assistance

Market Insight

- Capital Market Projections
- Tactical Asset Allocation
- Macroeconomic Surprise Indices

Presentations and Events

- Board Presentations on Markets and Factor Investing
- Risk Parity Education
- Hedge Fund Education and Panel
- Inflation Analysis and Education
- AQR Insight Award

Bridgewater: Areas of Strategic Engagement

Research, Education, and Discussions

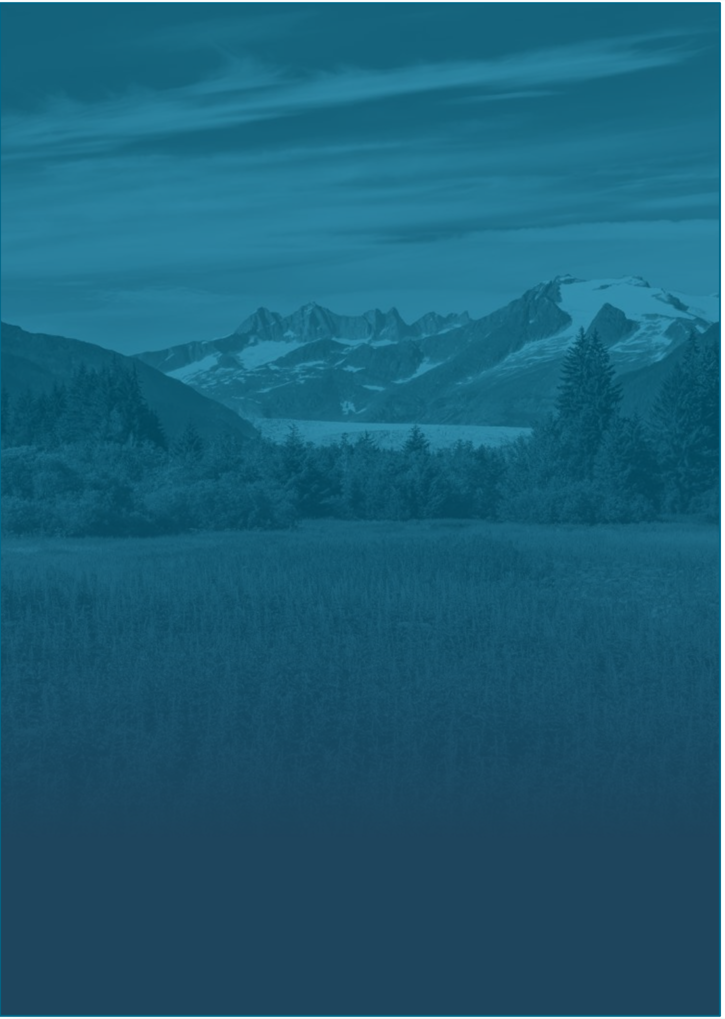
- Strategic Investment:
  - Return Expectations/Forecasts
  - Long term Asset Class Expectations
- Role of Currency in a Portfolio (2010)
- Special Topics:
  - Cost of Leverage (2011)
  - European Debt Crisis (2012)
  - Substitutes for Non-US Bonds (2012)
  - Sharpe Parity (2014)
  - Disease and the Global Economy (2014)
  - Protection in a Down Market (2015)
- Forecast & Stress Test of APFC Returns and Liabilities (2017)

Portfolio Construction

- Overview on how to manage a TIPS portfolio (2010)
- Perspectives on how to Design an Optimal Bond Portfolio (2011)
- Advice on Asset Allocation
  - Asset Returns and Correlation Expectations (2012)
- Analysis of New Performance Benchmarks (2017)

Managing an Investment Organization

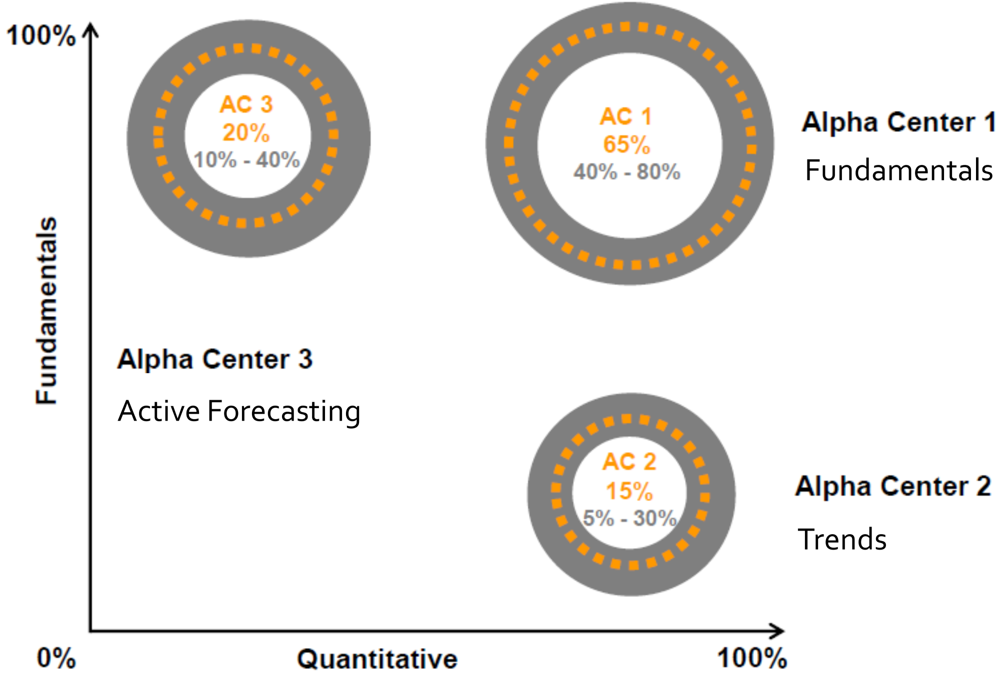
- Analysis of Industry Fees/Services (2010)
- Risk Management using Bridgewater's proprietary risk budgeting tool
- Provided Custom Markets Dashboard (2013)
- Analysis of Potential Alpha Managers (2015)



FX Management Program

- Adrian & Lee Partners-dedicated active currency for institutional investors
- Manage over $13 billion with offices in London and Dublin
- Specializing in quantitative research-proven currency management
- Investment philosophy relies on 3 premises: fundamental economic factors, research-driven valuation, experienced investment management.

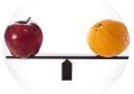
Process is balanced and looks to the future as well as the past



APFC Program

Guidelines

- Actively manage foreign currency exposure of $2 billion
- Mitigate adverse impact of foreign currency weakening
- Add value over benchmark by 100 bps per annum over a 3-5 yr period
- Annual ex-post active risk expected to be 175-200 bps on average



- Benchmark is the currency component of return on the unhedged MSCI EAFE plus Canada index

- Hedging shall be between 0%-100% per currency.
- Cross hedging is allowed
- Authorized instruments are foreign exchange spot and forward contracts of currencies in the MSCI EAFE plus Canada

Asset Allocation Portfolio

- ## Liquidity

- *1.8% Current Allocation*

  - APFC's cash reserve had been higher than in previous quarters as we anticipated a higher obligation at the end of the FY.
  - The cash account is used to receive any proceeds from and fund needs from all asset classes and operation activities
  - Given the level of cash, at the beginning of the year we purchased short term T-bills in a ladder in a attempt to earn higher yield than investing in overnight stiff
  - During this quarter, we redeploy excess cash into both equities and fixed income
  - After approval by the Board, Staff is working on implementing a liquidity overlay program to synthetically create market exposure of excess cash

- ## Multi-Asset & FX

- *4.0% Current Allocation*

  - The asset allocation portion of the portfolio has a mixed benchmark of total Fund benchmark and cash
  - In order to attain total Fund benchmark type returns, Staff employes multi-asset managers. These have a return objective of CPI + 500 bps, different approaches to asset allocation, and diversify this portfolio while looking to obtain a Sharpe Ratio over 0.5
  - This portfolio also holds the currency overlay program which was implemented in September

Callan APFC Performance Review Memo

ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT:	Callan Associates, Inc. APFC Performance Review	ACTION	__________
DATE:	December 12, 2017	INFORMATION:	X

BACKGROUND / STATUS:

Callan Associates, Inc. is currently under contract to perform APFC's core general consulting services of 1) investment policies and procedures review; 2) annual preparation of an asset allocation plan; 3) performance reporting and analysis; 4) risk analysis; 5) statistical modeling, manager searches, selection, and oversight; and 6) other special consulting services as needed.

STATUS:

At every quarterly board meeting or as requested, Callan Associates, Inc. provides an extensive review of the fund's performance as well as updates on market conditions. President, Gregory Allen, and Senior Vice President Steven Center will be the presenters at this meeting.

a) Callan APFC Performance Presentation

Callan

December 12, 2017

Alaska Permanent Fund Corporation

APFC

3rd Quarter 2017 Performance Review

Greg Allen
CEO, President and Chief Research Officer

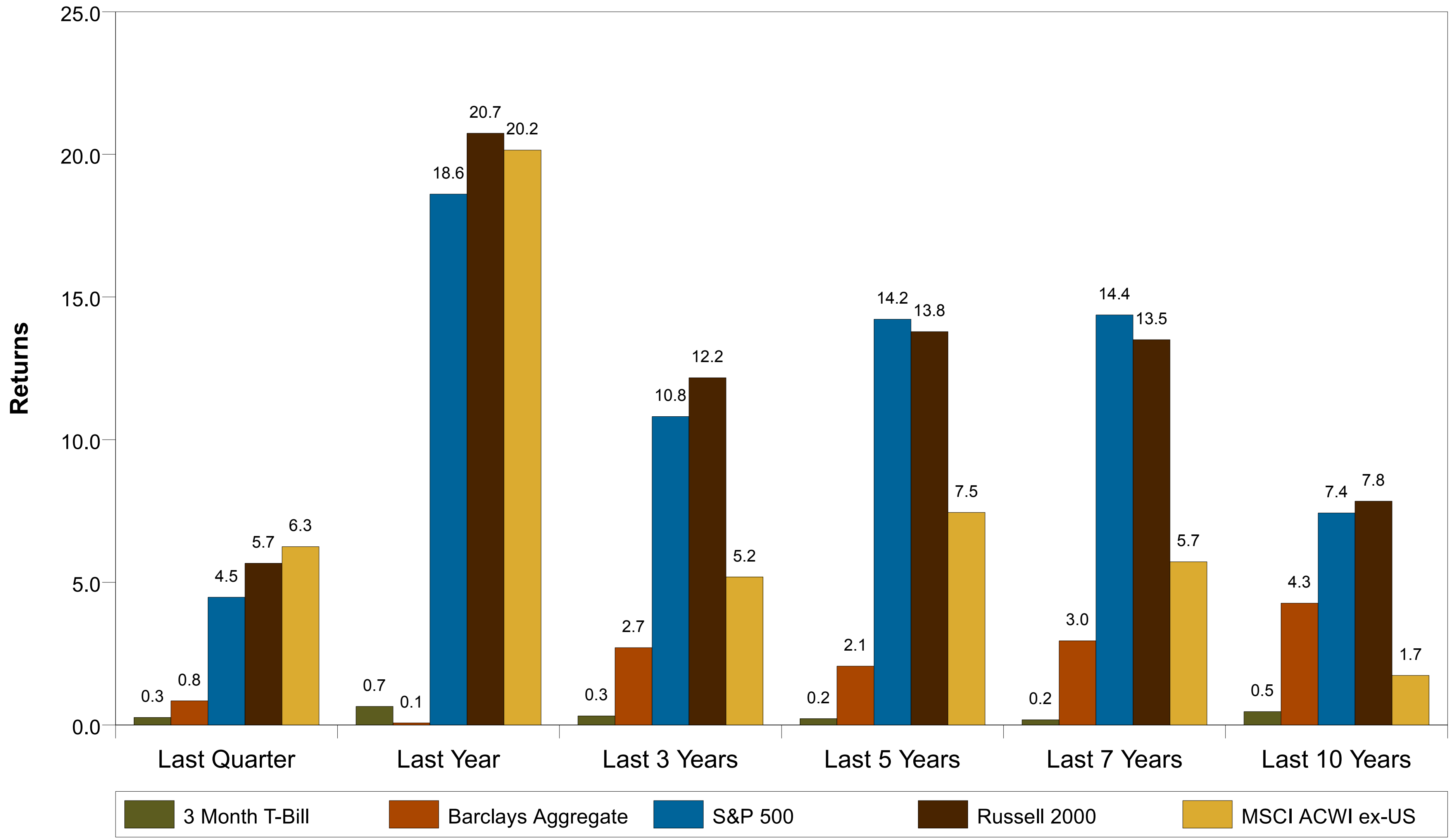
Steven Center, CFA
Senior Vice President

Agenda

- Capital Markets Overview
- Total Fund Asset Allocation and Performance
- Asset Class Structure and Performance

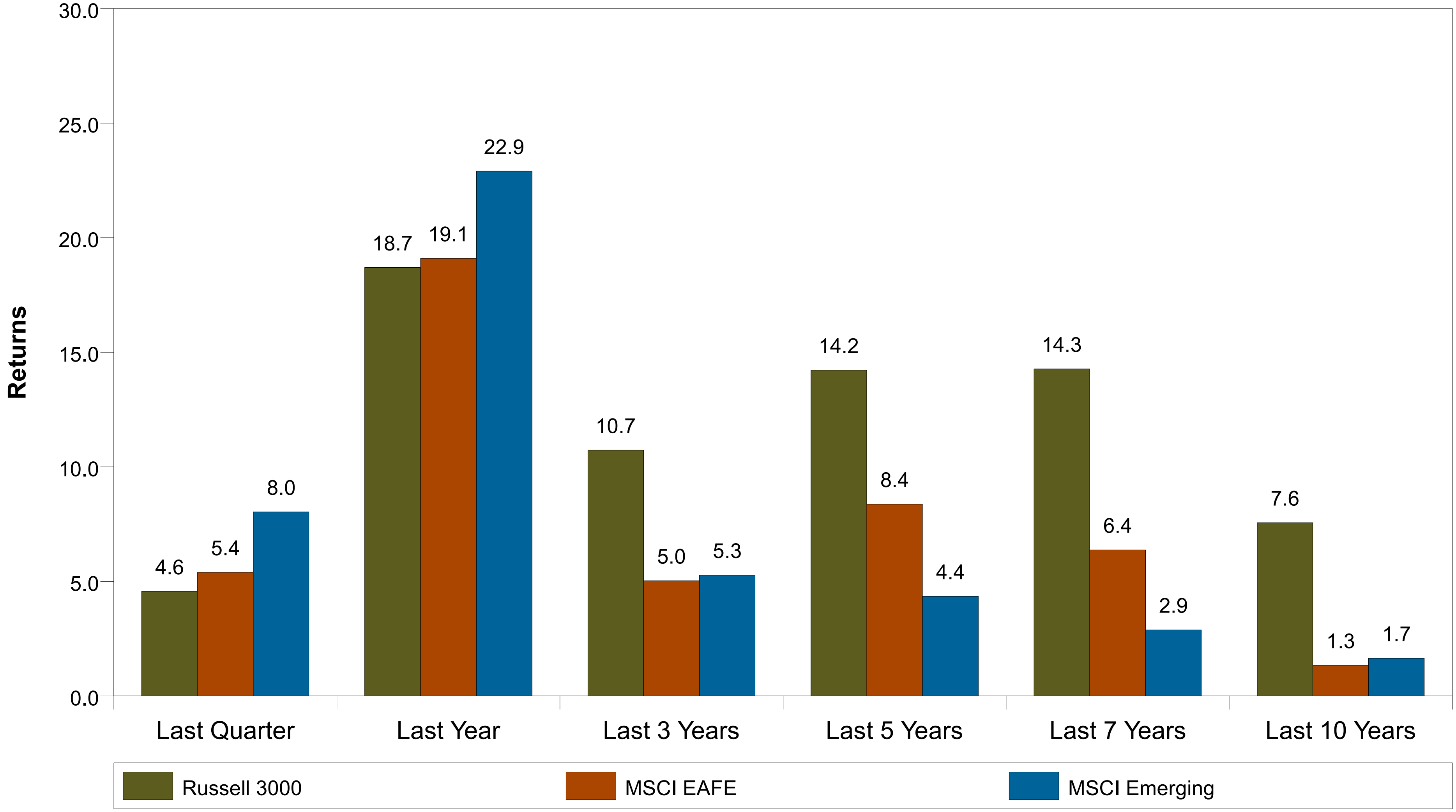
Broad Capital Market Performance

Periods Ended September 30, 2017



Public Equity Capital Market Performance

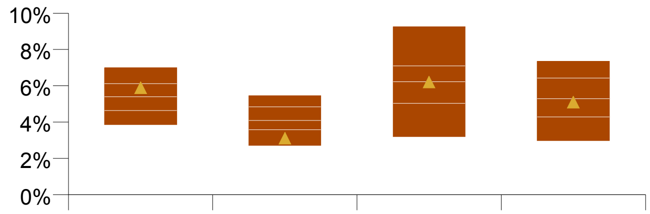
Periods Ended September 30, 2017



U.S. Equity

Third Quarter 2017

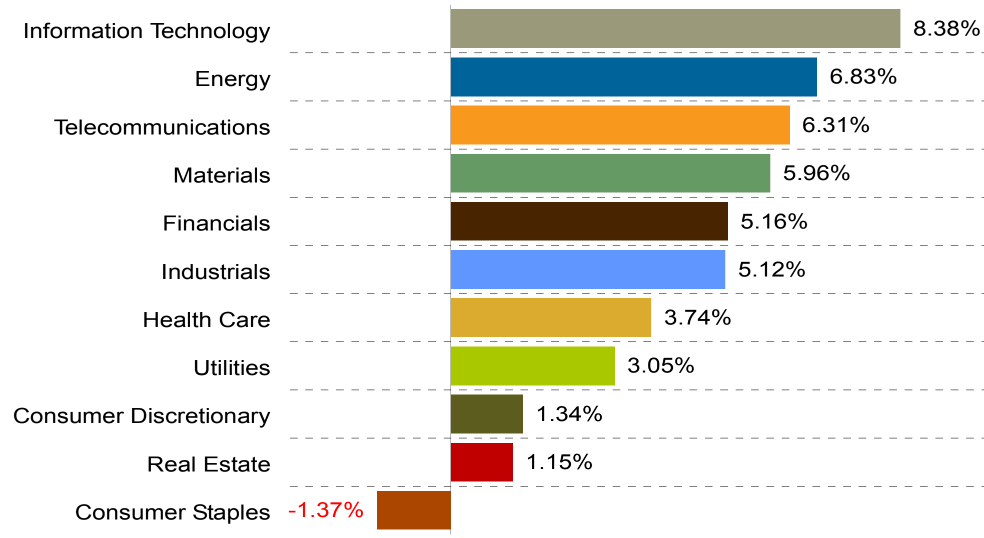
Callan Style Group Quarterly Returns



	Large Cap Growth Style vs. R1000 Growth	Large Cap Value Style vs. R1000 Value	Small Cap Growth Style vs. R2000 Growth	Small Cap Value Style vs. R2000 Value
10th Percentile	7.00	5.47	9.27	7.36
25th Percentile	6.11	4.84	7.10	6.44
Median	5.39	4.09	6.22	5.29
75th Percentile	4.64	3.58	5.03	4.29
90th Percentile	3.86	2.72	3.21	2.99
Benchmark ▲	5.90	3.11	6.22	5.11

Sources: Callan, Russell Investment Group

Economic Sector Quarterly Returns (Russell 3000)

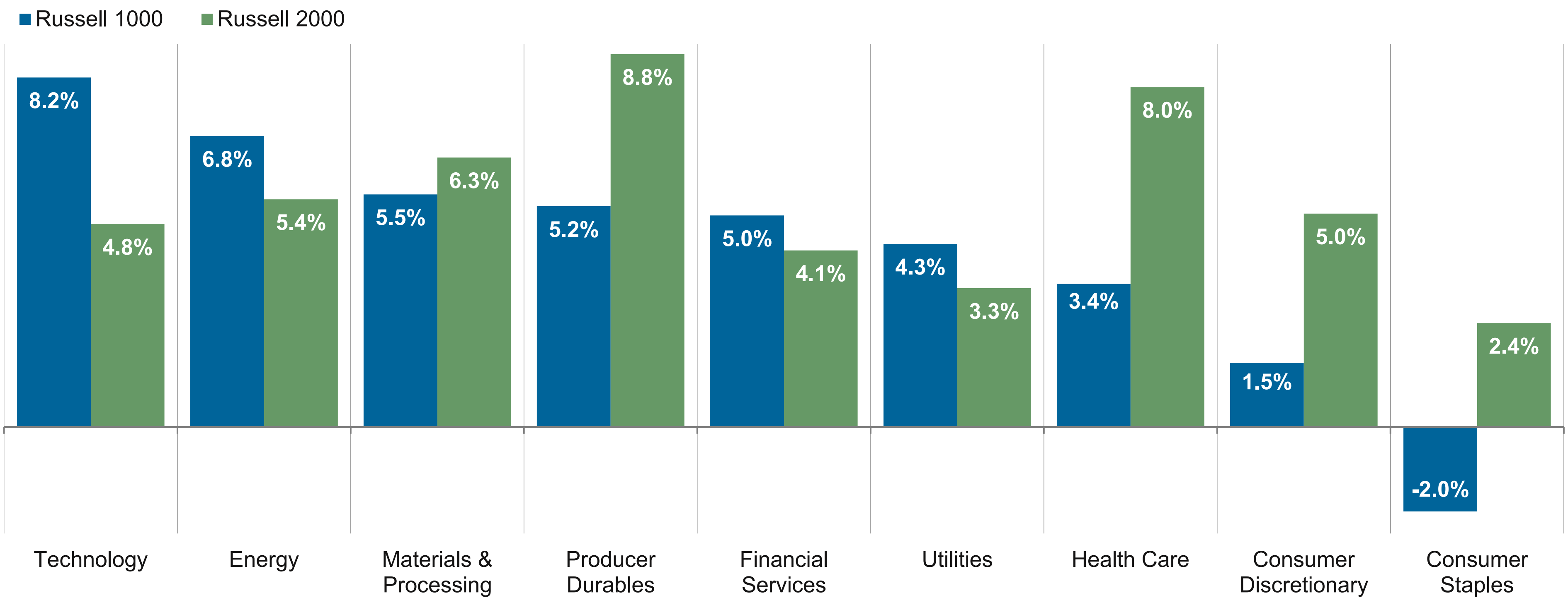


- Several U.S. stock market indices hit record highs during the third quarter, as investors concentrated on meaningful tax reform and shrugged off turbulent events in the news, including escalating tensions with North Korea, several severe natural disasters, and uncertainty around domestic agenda items.
- The Russell 3000 Index ended the quarter up 4.6%. Small cap stocks reversed course from prior two quarters, and outperformed large cap (Russell 1000: +4.5%; Russell 2000: +5.7%). Biotech (+14.5%) and September’s tax reform news bolstered small caps. In addition, growth led value across market capitalizations, fueled by the globally dominant Tech names, the so-called “FAAMG” stocks (R1G: +5.9% vs. R1V: +3.1%; R2G: +6.2% vs. R2V: +5.1%).
- Along with Technology (+8.4%), Energy (+6.8%) and Telecommunications (+6.3%), topped sector performance. The Energy sector continued to see signs of incremental improvement during the quarter due to a backdrop of improving supply and demand. Consumer Staples (-1.4%) was the sole sector to deliver a negative result as momentum-oriented stocks and sectors garnered favor.

U.S. Equity

Economic Sector Quarterly Performance

Quarter ended September 30, 2017

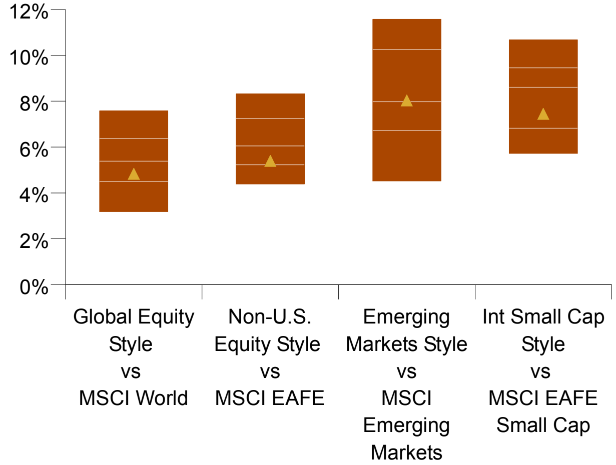


Source: Russell Investment Group

Non-U.S. Equity

Third Quarter 2017

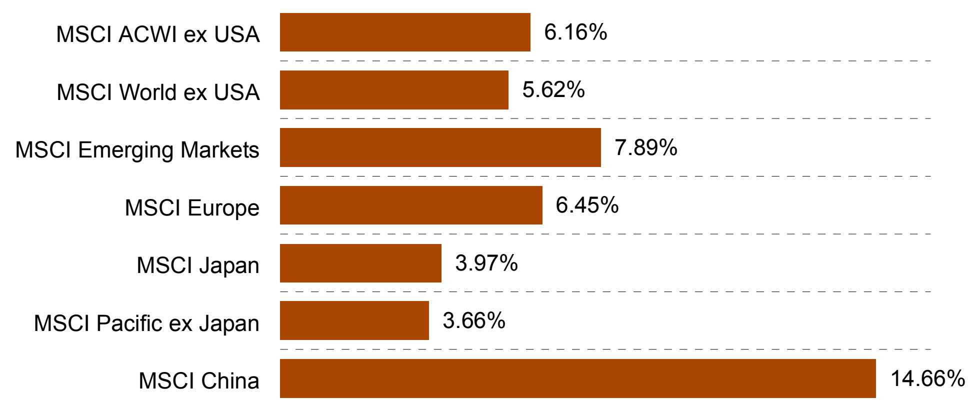
Callan Style Group Quarterly Returns



	Global Equity Style vs MSCI World	Non-U.S. Equity Style vs MSCI EAFE	Emerging Markets Style vs MSCI Emerging Markets	Int Small Cap Style vs MSCI EAFE Small Cap
10th Percentile	7.59	8.33	11.58	10.68
25th Percentile	6.39	7.26	10.26	9.46
Median	5.39	6.05	7.98	8.62
75th Percentile	4.50	5.24	6.73	6.83
90th Percentile	3.19	4.40	4.53	5.73
Benchmark ▲	4.84	5.40	8.04	7.46

Sources: Callan, MSCI

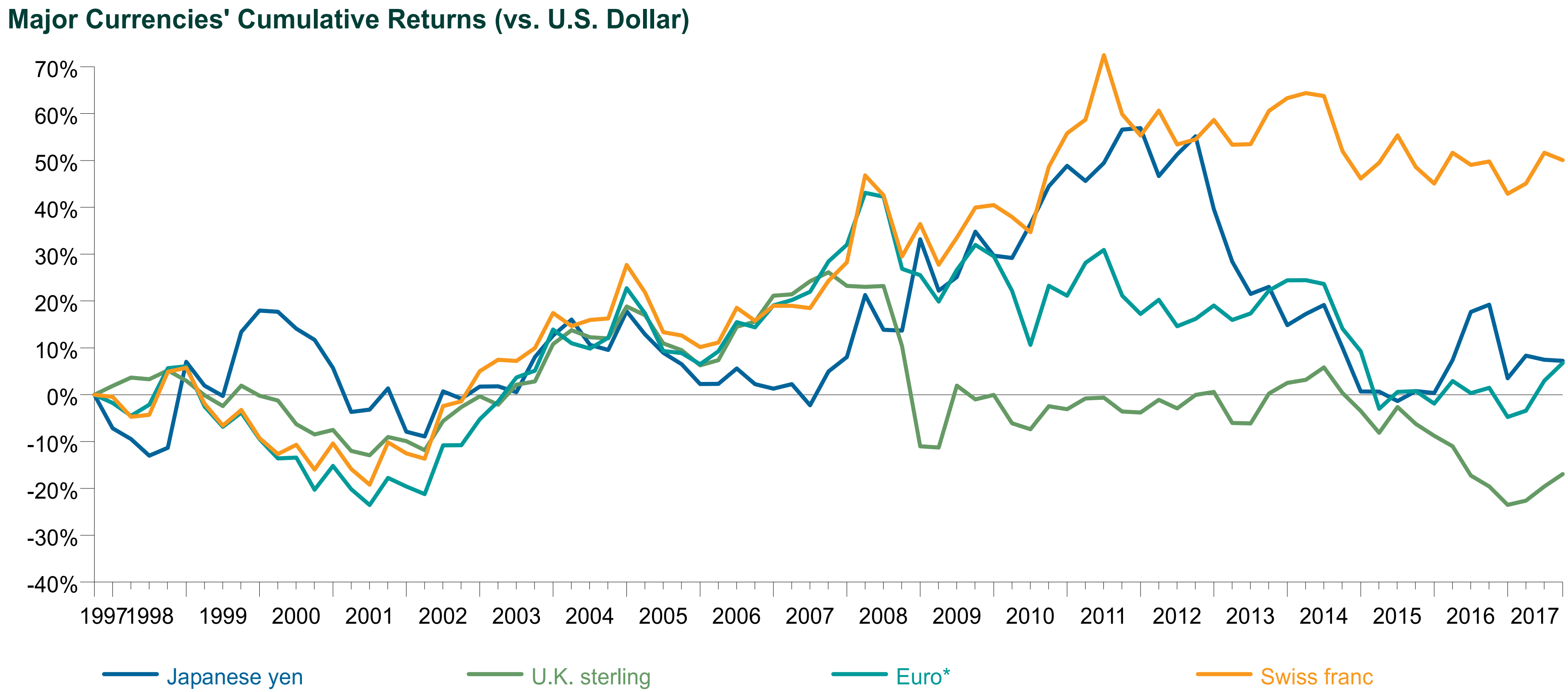
Regional Quarterly Performance (U.S. Dollar)



- Non-U.S. developed equity (+5.6%) outperformed the U.S. for the third consecutive quarter as the European market (+6.5%) continued to post positive economic data and corporate earnings growth with some signs of political stability.
- The U.S. dollar continued to weaken, benefitting overseas returns for U.S. investors. The U.S. dollar was down 3-4% versus the euro, Canadian dollar, and the U.K. pound. Losses against the euro stemmed from an upside surprise with European growth and market-friendly outcomes in European elections.
- Regional gains were broad-based, with Emerging Markets (+7.9%) leading the pack and topping developed markets for the third consecutive quarter, fueled by a soft dollar, synchronized global growth, and strong oil & commodity prices. China (+14.7%) continues to be the key driver, with GDP growth of 6.9% that beat expectations.

Non-U.S. Equity

Currencies



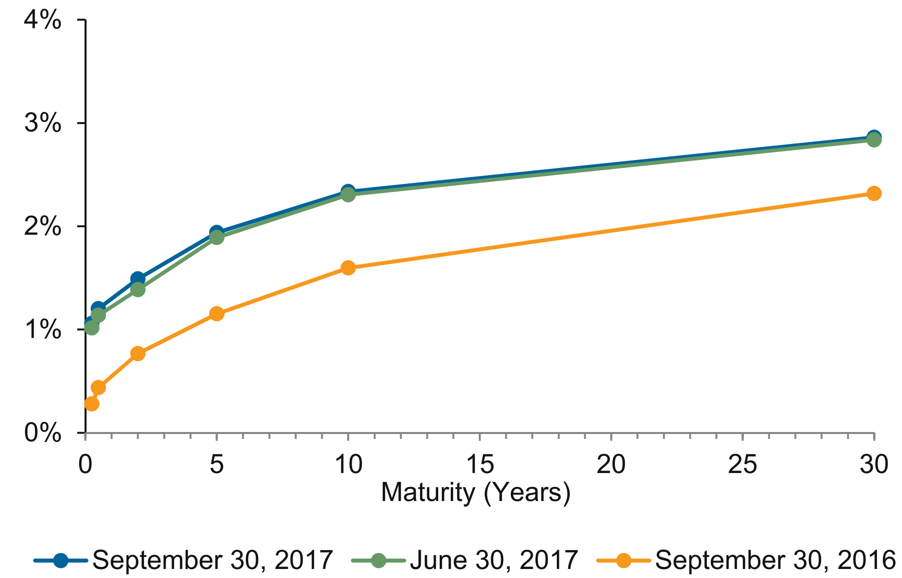
- The U.S. dollar continued to weaken during the 3rd quarter, losing nearly 3% versus a broad basket of developed markets currencies.

* Euro returns from 1Q99. German mark prior to 1Q99. Source: MSCI

Fixed Income

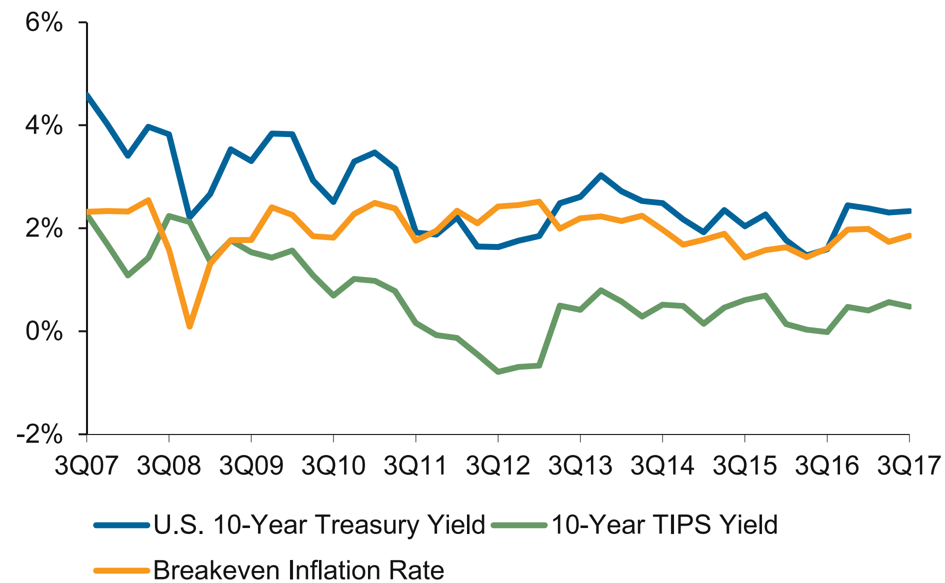
Third Quarter 2017

U.S. Treasury Yield Curves



Source: Bloomberg

Historical 10-Year Yields

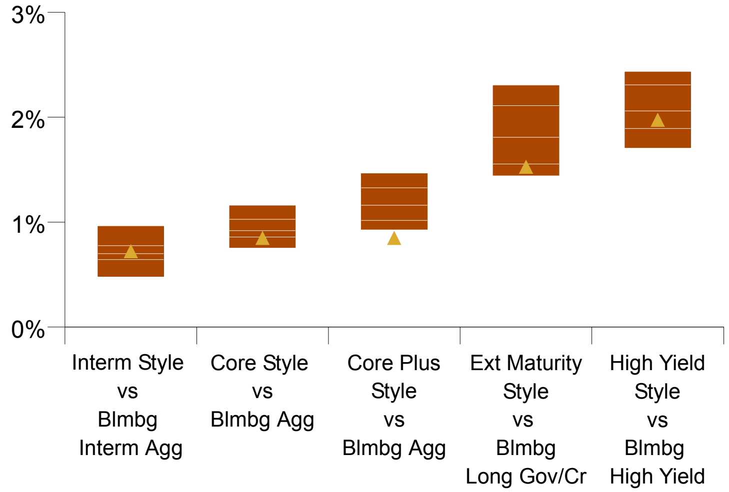


- During the quarter, bonds participated in the “everything rally” alongside stocks and commodities. Simultaneously, volatility in the fixed income markets sat near historic lows, and overall risk appetite remained strong.
- The yield curve continued its flattening trend, as short-term treasuries rose to 1.5%, the highest level since August 2008, while moderate growth and inflation kept long-term rates low and range bound.
- The 10-year Treasury yield touched 2.00% during the quarter on geopolitical risks related to North Korea, but ended the quarter at 2.33%. And the 10-year breakeven spread (the difference between nominal and real yields) rose to 1.84% as of quarter-end from 1.73% at the end of the second quarter.

Fixed Income

Third Quarter 2017

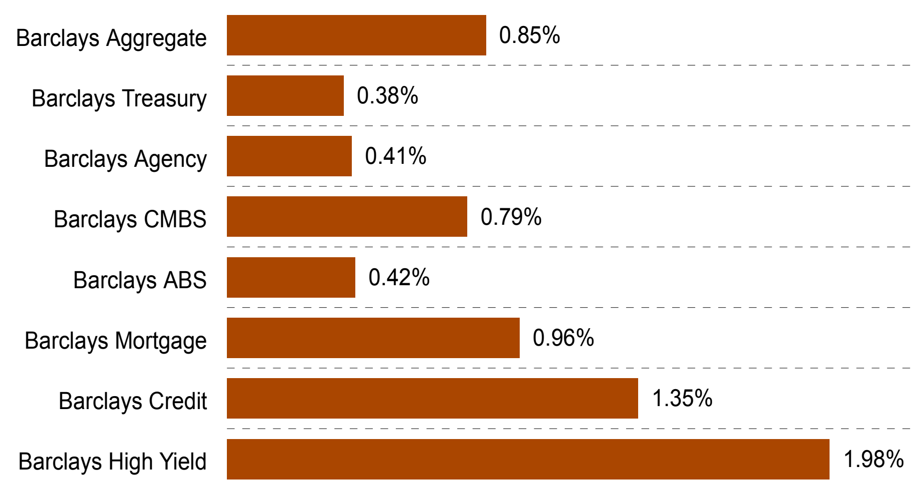
Callan Style Group Quarterly Returns



	Interm Style vs Blmbg Interm Agg	Core Style vs Blmbg Agg	Core Plus Style vs Blmbg Agg	Ext Maturity Style vs Blmbg Long Gov/Cr	High Yield Style vs Blmbg High Yield
10th Percentile	0.96	1.16	1.46	2.30	2.43
25th Percentile	0.78	1.03	1.33	2.11	2.31
Median	0.70	0.92	1.16	1.81	2.06
75th Percentile	0.65	0.86	1.02	1.56	1.89
90th Percentile	0.48	0.76	0.93	1.45	1.71
Benchmark ▲	0.72	0.85	0.85	1.53	1.98

Sources: Bloomberg Barclays, Callan

Absolute Returns for Quarter ended September 30, 2017

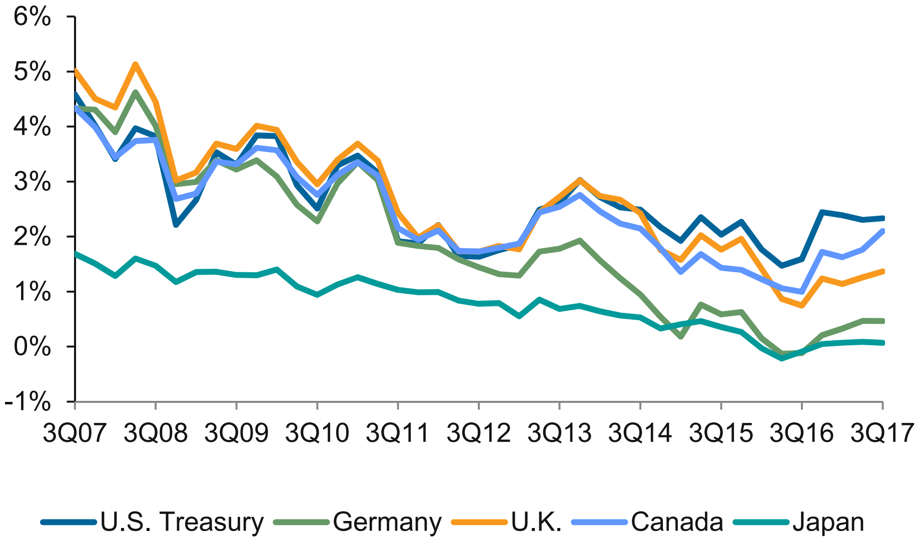


- The broad bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, returned +0.9%.
- Corporate credit spreads tightened on strong demand and robust corporate earnings. Financials and Utilities were the leading sectors during the quarter. The Bloomberg Barclays U.S. Corporate Bond Index rose 1.4%.
- Lower-rated credits outperformed investment grade, aided by the hunt for yield, with the Bloomberg Barclays U.S. Corporate High Yield Bond Index up 2.0%.

Fixed Income

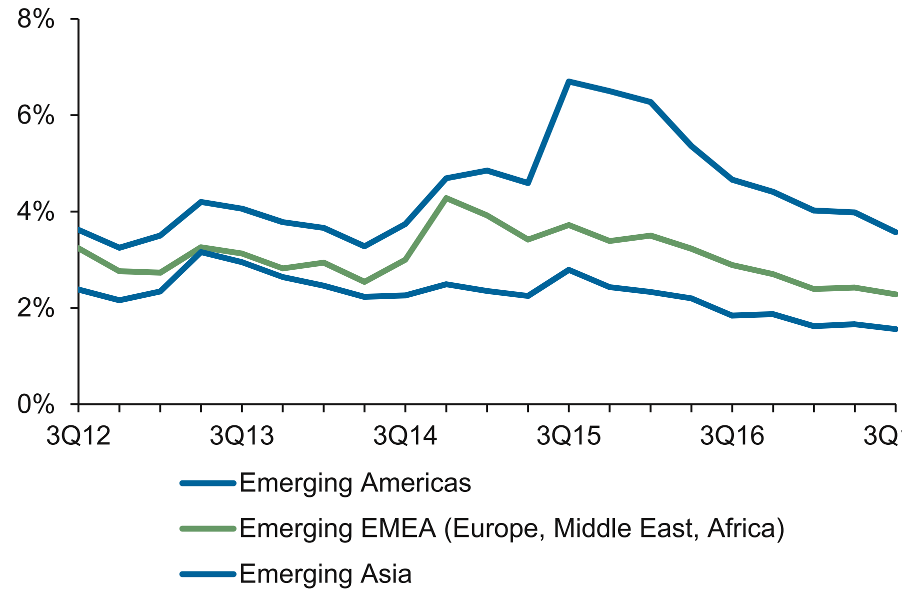
Global Yields

10-Year Global Government Bond Yields



Source: Bloomberg Barclays

Emerging Spreads Over Developed

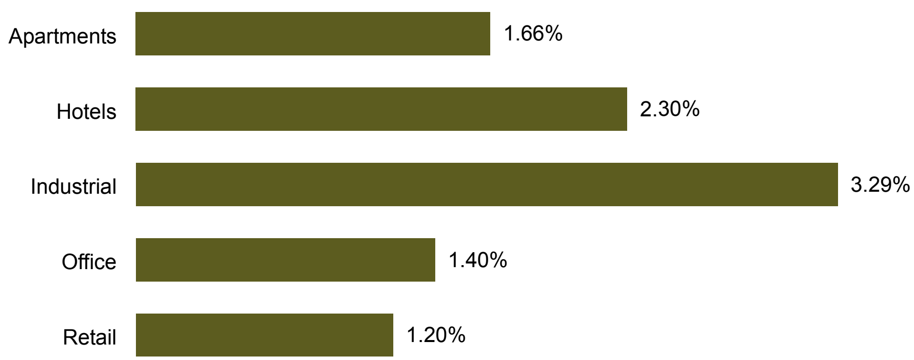


- Global bonds rose modestly in the 3rd quarter as inflation across major markets remained generally tame with a positive growth outlook.
  - Overseas, currencies strengthened against the U.S. dollar, providing a tailwind during the quarter.
- Within EM Debt, higher yield issuers outperformed in the quarter (El Salvador, Belize, Suriname).
  - Higher commodity prices and improving political outlook supported the asset class broadly.
  - EM F/X continues to outperform on improving growth prospects and current account balances.
- With pace of rate hikes likely to slow, U.S. dollar may continue to underperform against range of emerging market and developed country currencies.

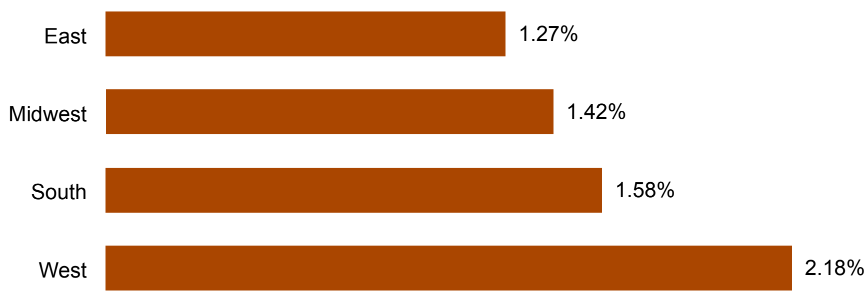
Real Estate

Third Quarter 2017

NCREIF All Equity Sector Returns By Property Type

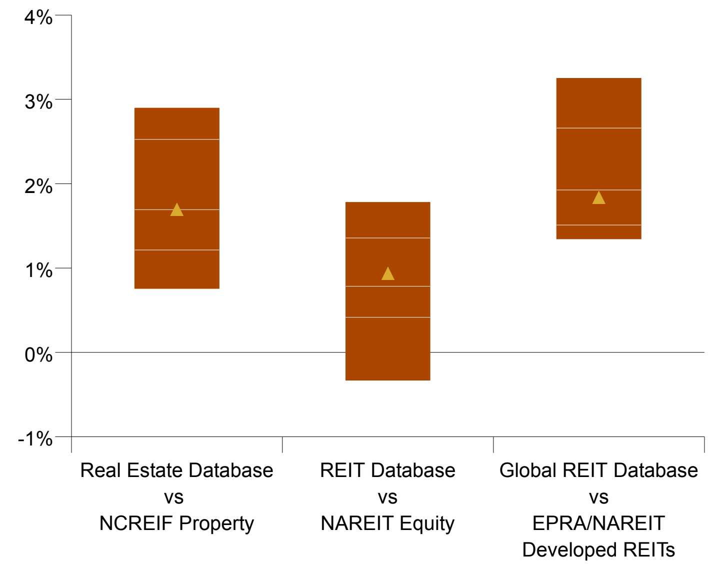


NCREIF All Equity Sector Returns By Region



Sources: Callan, NAREIT, NCREIF, The FTSE Group

Callan Style Group Quarterly Returns



	Real Estate Database vs NCREIF Property	REIT Database vs NAREIT Equity	Global REIT Database vs EPRA/NAREIT Developed REITs
10th Percentile	2.90	1.78	3.25
25th Percentile	2.53	1.36	2.66
Median	1.69	0.78	1.93
75th Percentile	1.21	0.41	1.51
90th Percentile	0.76	-0.33	1.35
Benchmark ▲	1.70	0.94	1.84

- The NCREIF Property Index advanced 1.7% during the third quarter (Income: +1.1%; Appreciation: +0.6%). This marked the 35th consecutive quarter of positive returns for the Index. Appreciation return resumed its decreasing trend after an increase during the second quarter.
- All sectors posted gains. The industrial sector remains the strongest performer, benefitting as structural shifts in the economy, property markets and consumer habits continue to dampen demand for traditional retail space. Regionally, all areas added value. The West region was the strongest performer for the fourth successive quarter.
- Global REITs bested their U.S. counterparts, rising 1.8%. U.S. REITs started with a strong July but then surrendered most of the gains with poor showings in August and September.

Hedge Funds

Third Quarter 2017

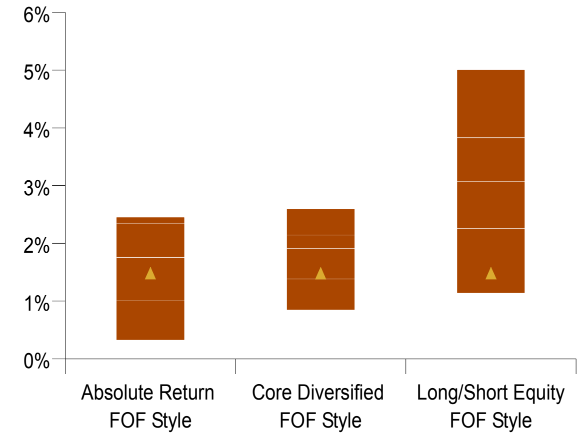
Style Median and Index Returns* for Periods ended September 30, 2017

Diversified Hedge Fund Strategy	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
Hedge Fund-of-Funds Database	2.02	5.47	7.26	2.87	4.97	3.11	5.16
CS Hedge Fund	1.81	4.70	5.91	1.96	4.16	3.24	6.00
Credit Suisse Subindices							
Equity Market Neutral	4.38	7.00	4.16	1.37	2.48	-2.89	0.55
Convertible Arbitrage	1.61	4.10	4.54	2.76	3.51	3.61	4.76
Fixed Income Arbitrage	0.22	4.20	6.12	3.02	3.86	3.57	4.04
Multi-Strategy	1.38	6.56	7.80	5.33	6.97	5.01	7.06
Distressed	1.56	5.52	9.29	1.27	5.47	3.70	7.68
Risk Arbitrage	1.66	5.70	6.52	3.37	3.44	3.10	4.38
Event Driven Multi-Strategy	0.58	4.27	6.12	-1.19	3.47	2.73	6.49
Long/Short Equity	2.99	9.81	9.59	3.94	6.86	3.91	6.88
Global Macro	1.83	0.26	4.86	1.48	2.53	4.58	7.31
Managed Futures	1.32	-3.12	-8.59	-0.17	0.00	2.09	3.25
Emerging Markets	5.58	13.02	12.72	5.88	6.21	3.53	8.63

*Returns less than one year are not annualized.
Sources: Callan, Credit Suisse Hedge Index

- Discarding worries of slow global economic growth and other distractions, markets focused on positive economic news and hopes of U.S. tax reform. Illustrating raw hedge fund performance without implementation costs, the asset-weighted Credit Suisse Hedge Fund Index (CS HFI) rose 1.8%. As a proxy for live hedge fund portfolios, the median manager in the Callan Hedge Fund-of-Funds Database advanced 2.0%, net of all fees and expenses.
- Within CS HFI, the best-performing strategy was *Emerging Markets* (+5.6%), where embedded market beta explained some of the gains.
- Within Callan's Hedge Fund-of-Funds Database, the median *Callan Long/Short Equity FOF* (+3.1%) handily beat the *Callan Absolute Return FOF* (+1.8%), supported by the equity rally. With exposures to both non-directional and directional styles, the *Core Diversified FOF* advanced 1.9%.

Callan Style Group Quarterly Returns



	Absolute Return FOF Style	Core Diversified FOF Style	Long/Short Equity FOF Style
10th Percentile	2.46	2.60	5.01
25th Percentile	2.35	2.14	3.83
Median	1.76	1.91	3.08
75th Percentile	1.01	1.38	2.26
90th Percentile	0.32	0.85	1.14
T-Bills + 5% ▲	1.48	1.48	1.48

Sources: Callan, Merrill Lynch

Private Equity

Third Quarter 2017

- Observations: Low volatility and gently rising markets fostered continued "Golden Era" conditions in the private equity market during the third quarter.
- Fundraising: The fundraising market is booming. We expect that 2017 will exceed 2016's $312 billion, with potential for setting new record.
- Returns: With recent public equity gains, private equity returns are simply "competitive" with public equity over horizons of five years and less.
- Investments: The number of new company investments dipped (buyout -12% and VC -21%) but dollar volumes remained healthy (buyout +6% and VC -6%). High prices present a headwind, but there were some large transactions in the quarter (Panera Bread $7.5b and Staples $6.5b).
- Exits: Buyout exits declined 12% in number, but were up 6% in dollar volume; buyout-backed IPOs fell to only one. VC exits rose 2% by count and 9% by dollar volume (both M&A and IPO).

Funds Closed 1/1/17 to 9/30/17

Strategy	# Partnerships	Amount ($mm)	%
Venture Capital	382	29,109	12%
Buyouts	272	167,111	67%
Subordinated Debt	52	22,627	9%
Distressed Debt	17	9,601	4%
Secondary and Other	31	9,869	4%
Fund-of-Funds	85	11,122	4%
Totals	**839**	**249,439**	**100%**

Source: Private Equity Analyst

Private Equity Performance Database
(Pooled Horizon IRRs Through 6/30/17)

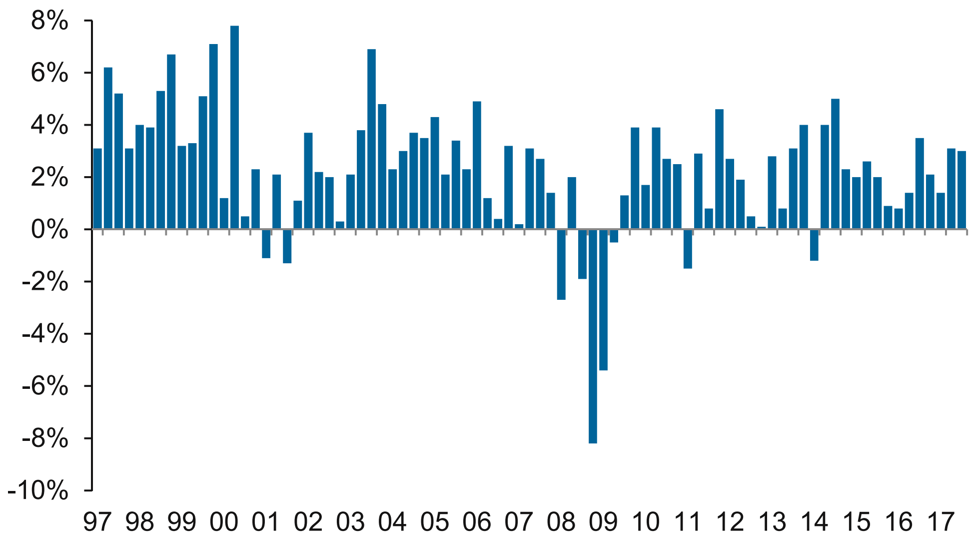
Strategy	3 Months	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	2.0	8.8	11.9	14.7	9.4	8.3	19.6
Growth Equity	3.7	14.5	9.5	12.7	9.9	11.8	13.2
All Buyouts	6.5	18.7	10.4	14.4	8.7	13.9	12.5
Mezzanine	4.0	11.7	8.6	9.9	8.7	9.5	8.8
Distressed	4.3	17.8	8.2	12.0	9.1	11.3	11.4
All Private Equity	**5.0**	**15.8**	**10.4**	**13.9**	**9.0**	**12.2**	**13.2**
S&P 500	3.1	17.9	9.6	14.6	7.2	8.4	7.2

Source: Thomson Reuters/Cambridge

U.S. Economy

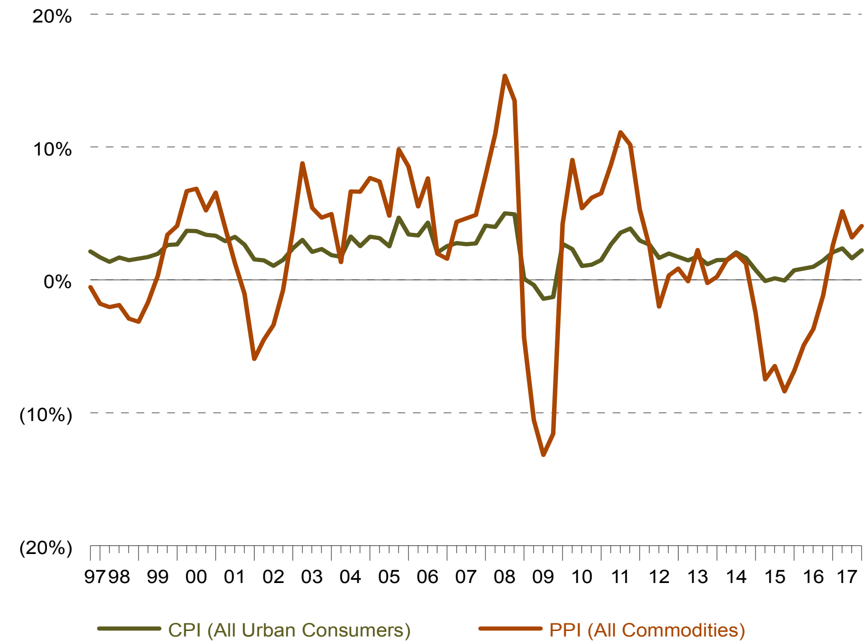
Third Quarter 2017

Quarterly Real GDP Growth (20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

Labor Force Statistics from the Current Population Survey

2017 (Seasonally Adj.)	June	July	August	September
Employment Level (thousands)	153,168	153,513	153,439	154,345
Unemployment Level (thousands)	6,977	6,981	7,132	6,801
Civilian Labor Force Level (thousands)	160,145	160,494	160,571	161,146
Unemployment Rate	4.4%	4.3%	4.4%	4.2%
Labor Force Participation Rate	62.8%	62.9%	62.9%	63.1%

Private Market Performance
Impact of One-Quarter Lag on Asset Class and Total Fund

Private Market Performance Now Lagged by One Quarter

- As discussed at the September Board of Trustees meeting, performance reporting for the following three asset classes, and all underlying portfolios, has been lagged by one quarter:
  - Private Equity & Growth Opportunities
  - Real Estate
  - Infrastructure, Private Credit, and Income Opportunities
- Benchmarks for these accounts and composites are also now lagged by one quarter, including the impact within the Total Fund benchmark.
- The new “Real Assets” composite, which includes both Real Estate and Infrastructure/Private Credit/Income Opportunities, will also be reported on a one-quarter lag going forward (after October 1, 2017)
- The following slide includes a side-by-side comparison of the previous method and the new method as of the Fiscal Year Ending June 30, 2017. Areas that have been impacted are outlined in green.

Private Market Performance Now Lagged by One Quarter

As Reported for 6/30/2017 - **NO REPORTING LAG**

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Public Equities	**4.38%**	**20.51%**	**4.54%**	**10.56%**
MSCI ACWI IMI	4.25%	19.01%	4.87%	10.74%
Fixed Income Plus	**1.95%**	**2.64%**	**3.19%**	**3.17%**
Fixed Income Plus Benchmark	1.83%	2.18%	3.26%	4.16%
Private Equity/Growth Opp	**6.62%**	**19.13%**	**22.25%**	**20.35%**
Cambridge PE Index	0.00%	6.11%	7.14%	11.52%
Real Estate	**-0.50%**	**4.80%**	**9.02%**	**10.03%**
NCREIF Total Index	1.75%	6.97%	10.17%	10.49%
Private Credit/Infrstructure/Income Opp	**1.64%**	**12.87%**	**11.72%**	**11.15%**
60% FTSE/40% BC US Corp HY	3.45%	10.89%	5.20%	9.22%
Absolute Return	**0.78%**	**7.66%**	**1.67%**	**3.87%**
Absolute Return Benchmark	1.03%	6.20%	5.90%	5.61%
Asset Allocation	**0.14%**	**4.54%**	**1.48%**	**3.14%**
3-Month T-Bill	0.20%	0.49%	0.23%	0.17%
Performance Benchmark				
Total Fund	**2.99%**	**12.57%**	**6.18%**	**8.94%**
Passive Index Benchmark	3.27%	10.26%	3.37%	7.10%
Performance Benchmark	2.62%	10.25%	4.47%	7.96%
Total Fund Return Objective	1.68%	6.63%	5.92%	6.32%

REVISED as of 6/30/2017 - **WITH PRIVATE MARKETS REPORTING LAG**

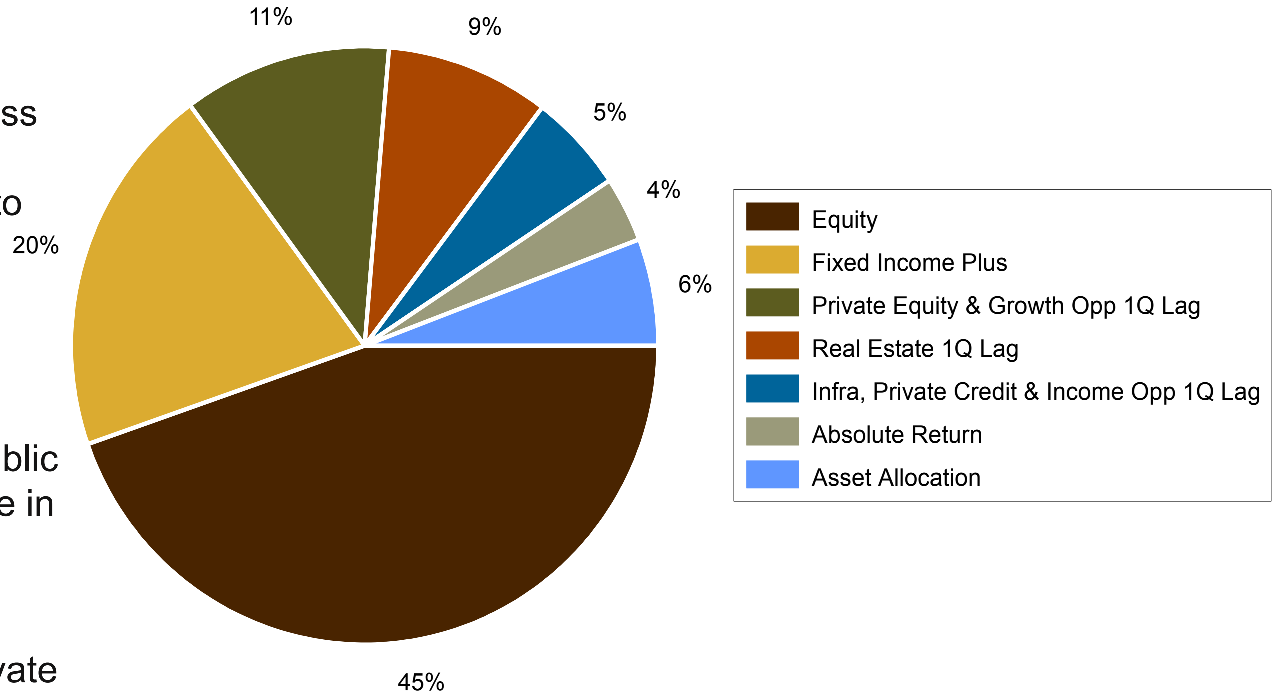
	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Public Equities	**4.38%**	**20.51%**	**4.54%**	**10.56%**
MSCI ACWI IMI	4.25%	19.01%	4.87%	10.74%
Fixed Income Plus	**1.95%**	**2.64%**	**3.19%**	**3.17%**
Fixed Income Plus Benchmark	1.83%	2.18%	3.26%	4.16%
Private Equity/Growth Opp	**4.57%**	**13.98%**	**21.48%**	**19.97%**
Cambridge PE Index	3.95%	12.75%	10.09%	12.33%
Real Estate	**1.73%**	**10.40%**	**10.72%**	**10.66%**
NCREIF Total Index	1.55%	7.27%	10.58%	10.69%
Private Credit/Infrstructure/Income Opp	**2.61%**	**12.22%**	**10.80%**	**9.53%**
60% FTSE/40% BC US Corp HY	4.94%	13.23%	6.16%	9.05%
Absolute Return	**0.78%**	**7.66%**	**1.67%**	**3.87%**
Absolute Return Benchmark	1.03%	6.20%	5.90%	5.61%
Asset Allocation	**0.14%**	**4.54%**	**1.48%**	**3.14%**
3-Month T-Bill	0.20%	0.49%	0.23%	0.17%
Performance Benchmark				
Total Fund	**3.01%**	**12.89%**	**6.21%**	**8.85%**
Passive Index Benchmark	3.27%	10.26%	3.37%	7.10%
Performance Benchmark	3.13%	11.19%	4.77%	8.15%
Total Fund Return Objective	1.68%	6.63%	5.92%	6.32%
Total Fund Impact	**0.02%**	**0.32%**	**0.03%**	**-0.09%**
Performance Benchmark Impact	0.51%	0.94%	0.30%	0.19%

Total Fund
Asset Allocation and Performance

Total Fund Asset Allocation

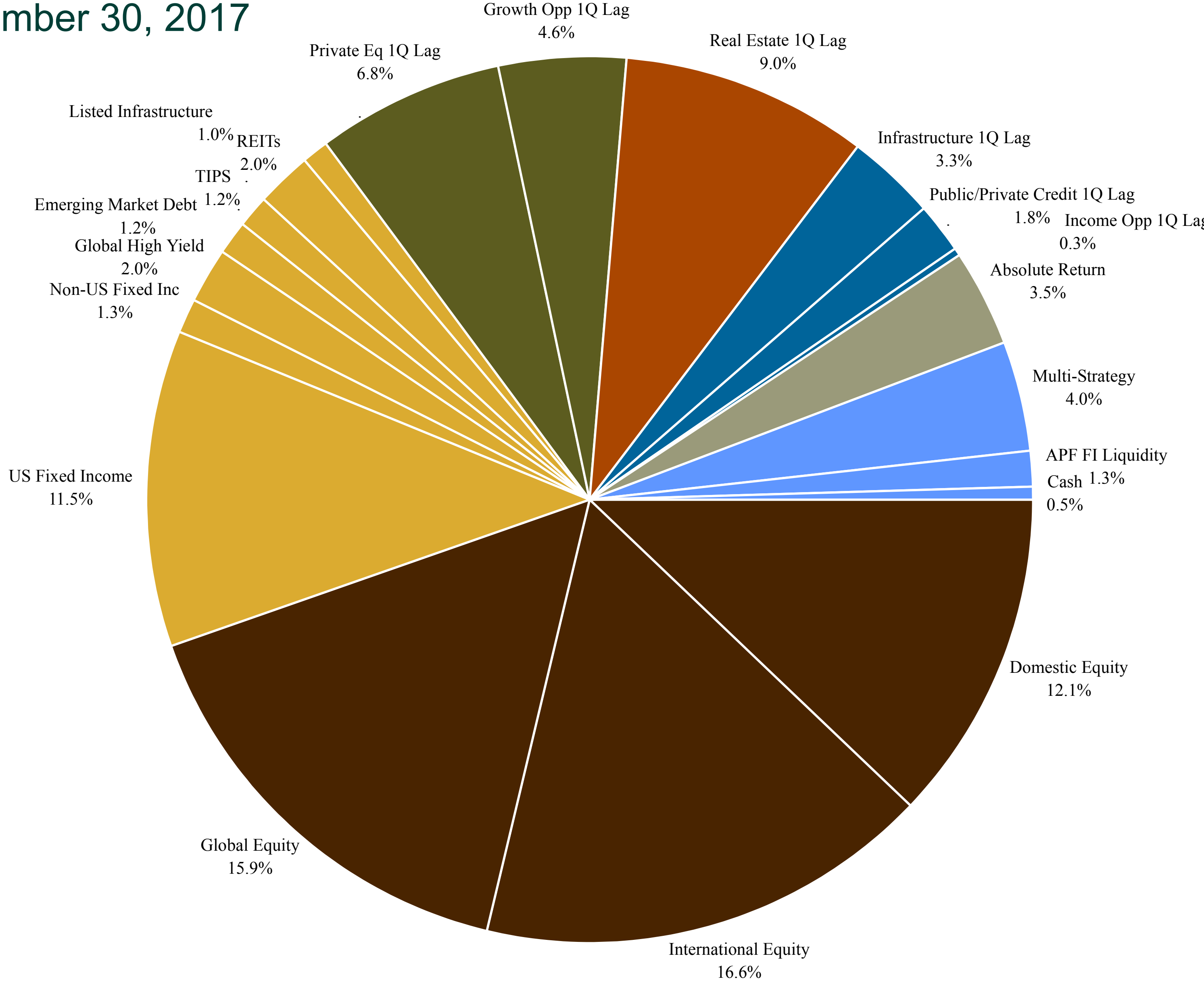
As of September 30, 2017

- APFC portfolio is well diversified across all major asset classes employed by institutional investors.
- Using institutional standard asset class definitions, the portfolio is currently allocated 45% to public equity, 20% to fixed income, and 35% to alternative investments.
- Compared to allocations in the 2nd quarter, this reflects a moderate increase in both fixed income and public equity, and a corresponding decrease in alternative investments.
- Alternatives includes private equity, growth opportunities, real estate, private infrastructure, private credit, income opportunities, absolute return, and asset allocation.
- Private Equity & Growth Opportunities, Real Estate, and Infrastructure/Private Credit/Income Opportunities are now reported on a one-quarter lag.



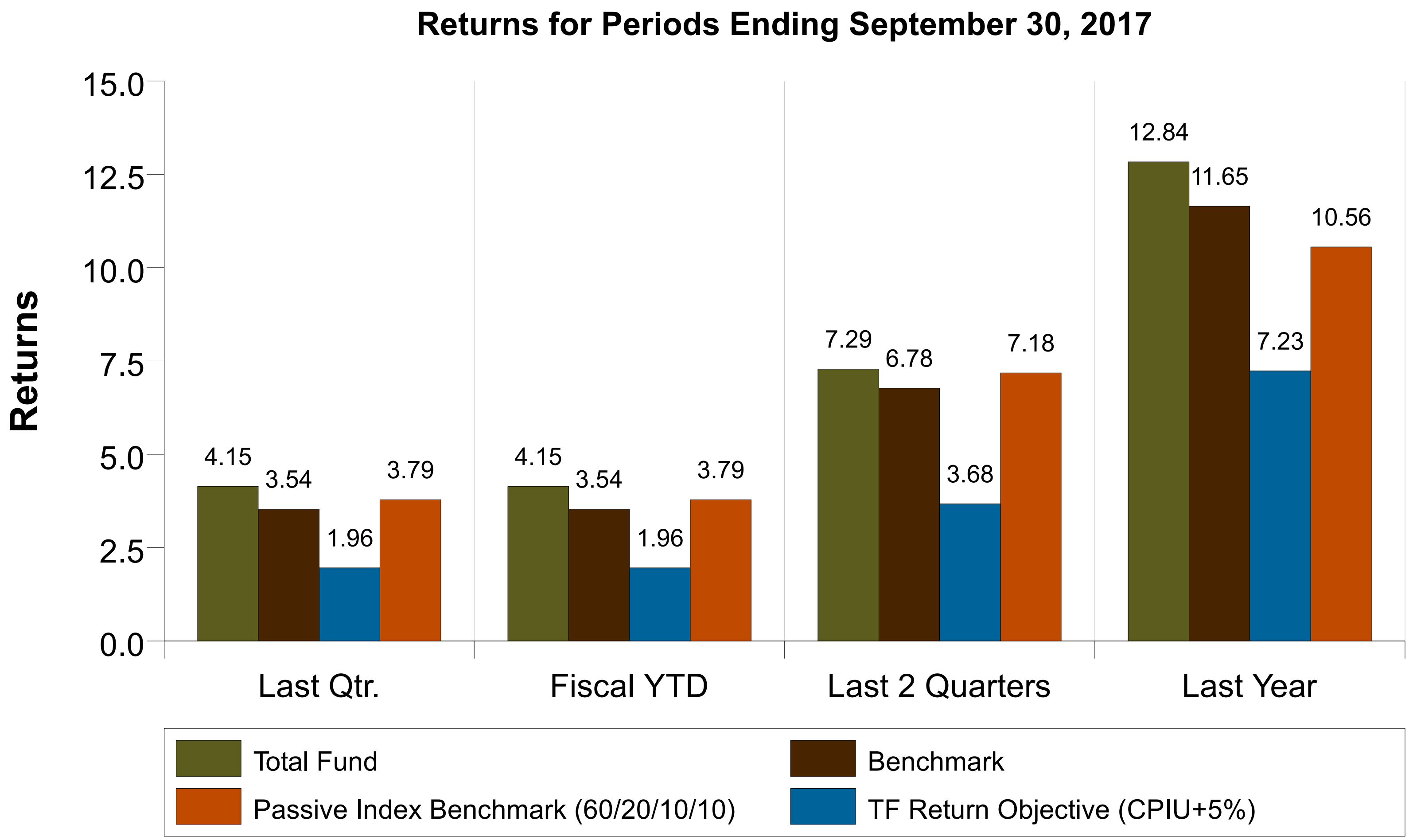
Total Fund Asset Allocation

As of September 30, 2017



APFC Total Fund Cumulative Returns

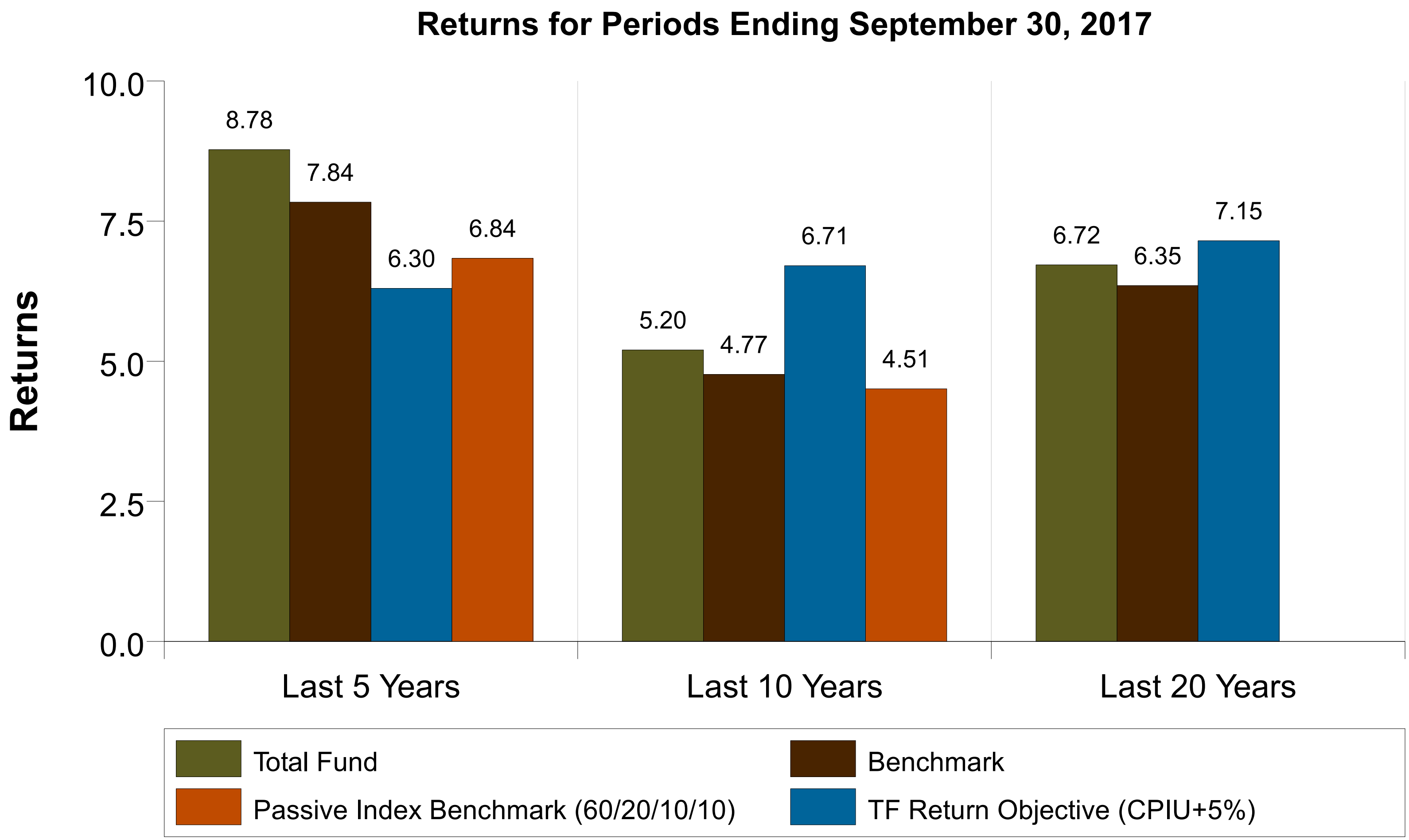
Total Fund versus Total Fund Targets



- Current Total Fund Target (Benchmark) = 40.6% MSCI ACWI IMI, 11.5% NCREIF Total Index 1Q Lag, 11.5% Cambridge Private Equity Index 1Q Lag, 5.7% Bloomberg Aggregate, 5.7% Bloomberg Corporate, 5.2% HFRI Fund Weighted Composite, 3.8% FTSE Developed Core Infrastructure 1Q Lag, 2.3% Bloomberg Global ex-US Treasury Hedged, 2.5% Bloomberg US HY Corporate 2% Cap 1Q Lag, 2.3% Bloomberg US HY Corporate 2% Cap, 2.3% S&P Global REIT (Net), 3.2% 3-month Treasury Bill, 1.1% Bloomberg Emerging Markets Bond, 1.1% Bloomberg US TIPS, and 1.1% S&P Global Infrastructure Net (rounded to nearest tenth)

APFC Total Fund Cumulative Returns

Total Fund versus Total Fund Targets



- Current Total Fund Target (Benchmark) = 40.6% MSCI ACWI IMI, 11.5% NCREIF Total Index 1Q Lag, 11.5% Cambridge Private Equity Index 1Q Lag, 5.7% Bloomberg Aggregate, 5.7% Bloomberg Corporate, 5.2% HFRI Fund Weighted Composite, 3.8% FTSE Developed Core Infrastructure 1Q Lag, 2.3% Bloomberg Global ex-US Treasury Hedged, 2.5% Bloomberg US HY Corporate 2% Cap 1Q Lag, 2.3% Bloomberg US HY Corporate 2% Cap, 2.3% S&P Global REIT (Net), 3.2% 3-month Treasury Bill, 1.1% Bloomberg Emerging Markets Bond, 1.1% Bloomberg US TIPS, and 1.1% S&P Global Infrastructure Net (rounded to nearest tenth)

APFC Total Fund Attribution

For One Quarter Ended September 30, 2017

Relative Attribution Effects for Quarter ended September 30, 2017

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return		Target Return		Manager Effect		Asset Allocation	Total Relative Return
Public Equities	44%	39%	5.87%		5.32%		0.23%		0.08%	0.31%
Fixed Income Plus	20%	22%	1.52%		1.26%		0.05%		0.04%	0.09%
Real Estate	9%	11%	(0.50%)		1.75%		(0.20%)		0.03%	(0.18%)
Priv Credit/Infra/Income	5%	6%	5.50%		3.45%		0.10%		(0.00%)	0.10%
Absolute Return	4%	5%	2.01%		2.25%		(0.01%)		0.02%	0.01%
Private Equity & Growth	11%	11%	7.68%		4.85%		0.30%		0.00%	0.30%
Asset Allocation	7%	6%	2.05%		2.44%		(0.03%)		(0.01%)	(0.04%)
Total			**4.15%**	**=**	**3.54%**	**x**	**0.44%**	**x**	**0.15%**	**0.59%**

- The Total Fund outperformed the Performance Benchmark by 0.6% during the quarter.
- Manager performance within Public Equity and Private Equity & Growth Opportunities were beneficial, and offset manager performance within Real Estate and Asset Allocation, both of which detracted.
- In aggregate, active management added 44 basis points to the relative performance, while deviations from the Policy Target contributed 15 basis points (primarily due to a slight overweight to Public Equities).

APFC Total Fund Attribution

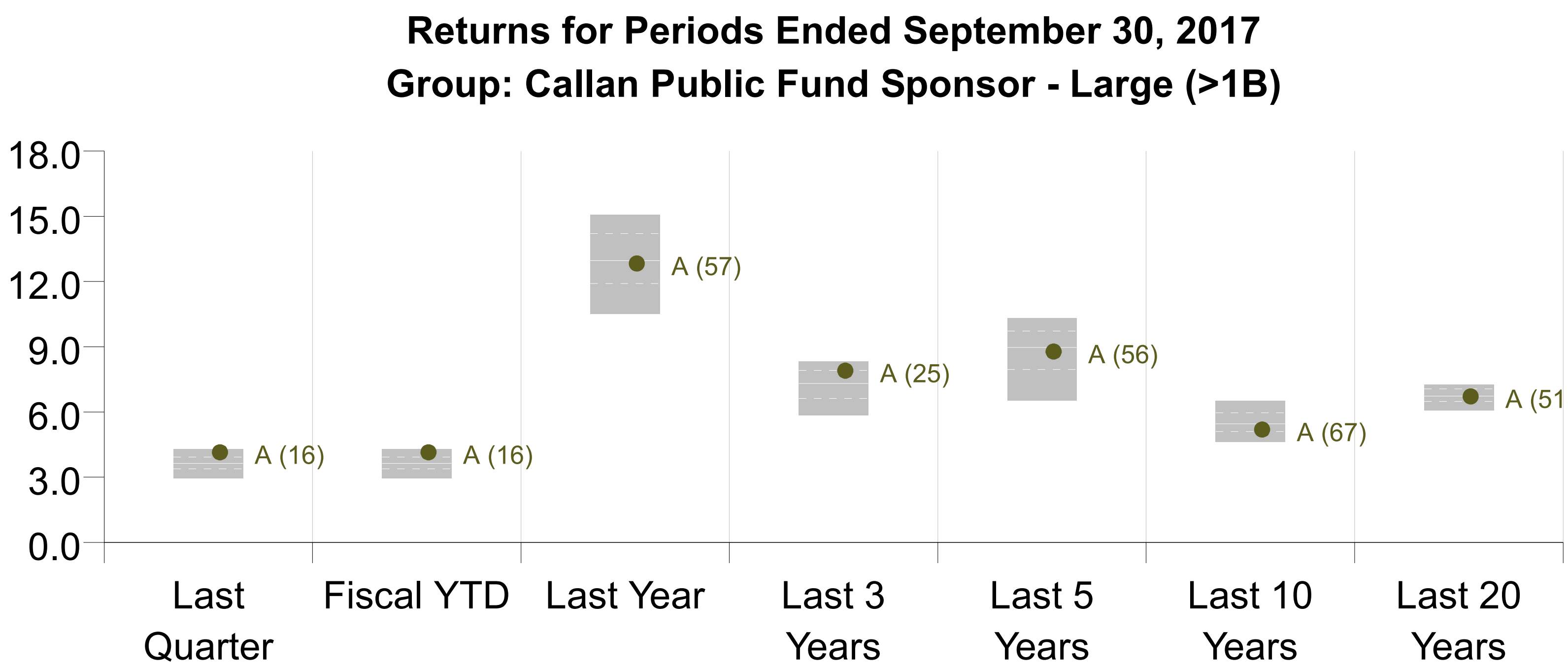
For One Year Ended September 30, 2017

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return		Target Return		Manager Effect		Asset Allocation	Total Relative Return
Public Equities	42%	40%	19.71%		18.73%		0.40%		0.14%	0.54%
Fixed Income Plus	19%	22%	2.77%		2.09%		0.15%		0.32%	0.46%
Real Estate	10%	11%	4.80%		6.97%		(0.18%)		0.09%	(0.10%)
Priv Credit/Infra/Income	5%	5%	13.74%		10.89%		0.14%		(0.01%)	0.14%
Absolute Return	4%	5%	7.77%		7.14%		0.05%		0.06%	0.11%
Private Equity & Growth	11%	11%	20.32%		15.76%		0.48%		(0.03%)	0.45%
Asset Allocation	9%	6%	4.63%		7.98%		(0.33%)		(0.09%)	(0.42%)
Total			**12.84%**	**=**	**11.66%**	**+**	**0.71%**	**+**	**0.48%**	**1.18%**

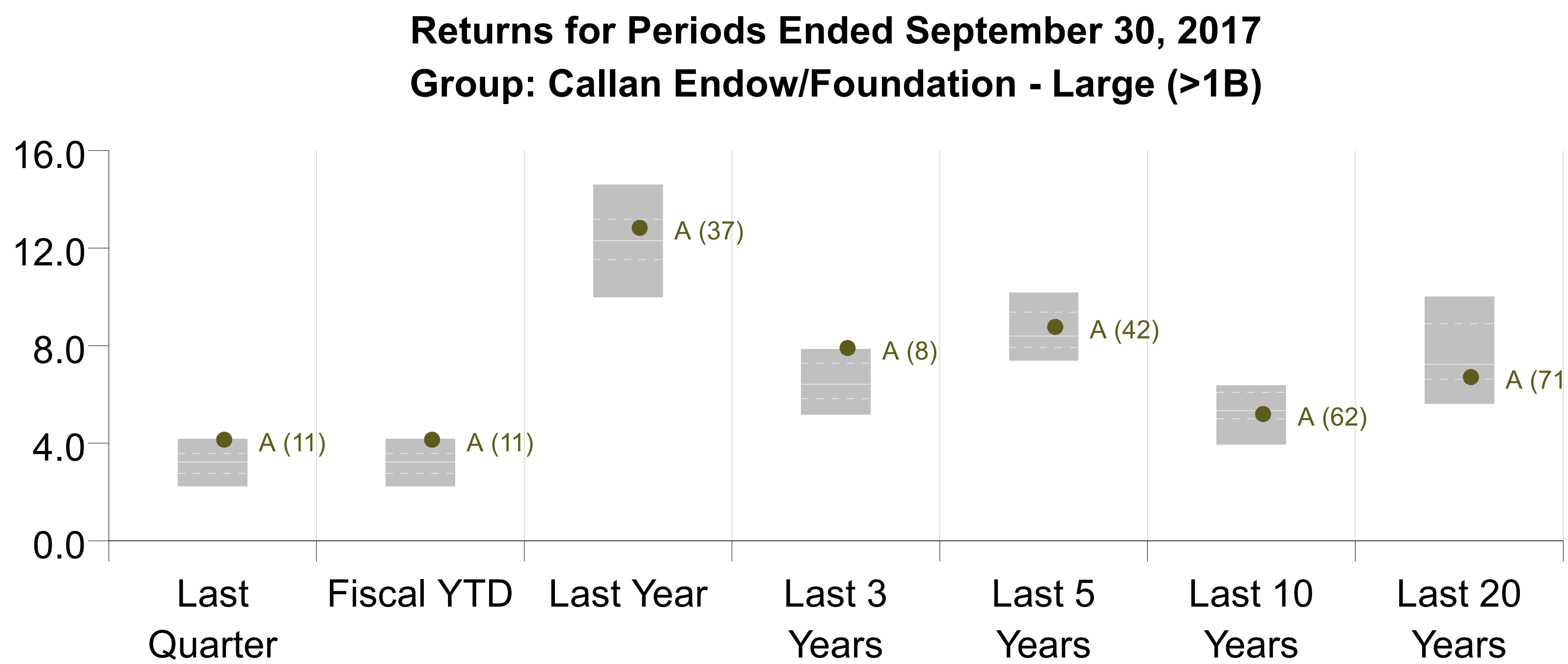
- The Total Fund outperformed the Performance Benchmark by 1.2% during the trailing twelve months.
- Manager performance within Public Equity and Private Equity & Growth Opportunities were beneficial, and offset manager performance within Real Estate and Asset Allocation, both of which detracted.
- In aggregate, active management added 71 basis points to the relative performance, while deviations from the Policy Target contributed 48 basis points (primarily due to a slight underweight to Fixed Income Plus and a slight overweight to Public Equities).

APFC Total Fund Relative to Callan's Large Public Fund Database



	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	4.29	4.29	15.09	8.33	10.34	6.52	7.26
25th Percentile	3.93	3.93	14.20	7.92	9.72	5.97	7.07
Median	3.64	3.64	12.96	7.32	8.97	5.46	6.74
75th Percentile	3.39	3.39	11.91	6.63	7.95	5.10	6.49
90th Percentile	2.95	2.95	10.52	5.85	6.53	4.63	6.07
Member Count	65	65	64	64	61	60	46
Total Fund ● A	4.15	4.15	12.84	7.91	8.78	5.20	6.72

APFC Total Fund Relative to Callan's Large Endowment / Foundation Database

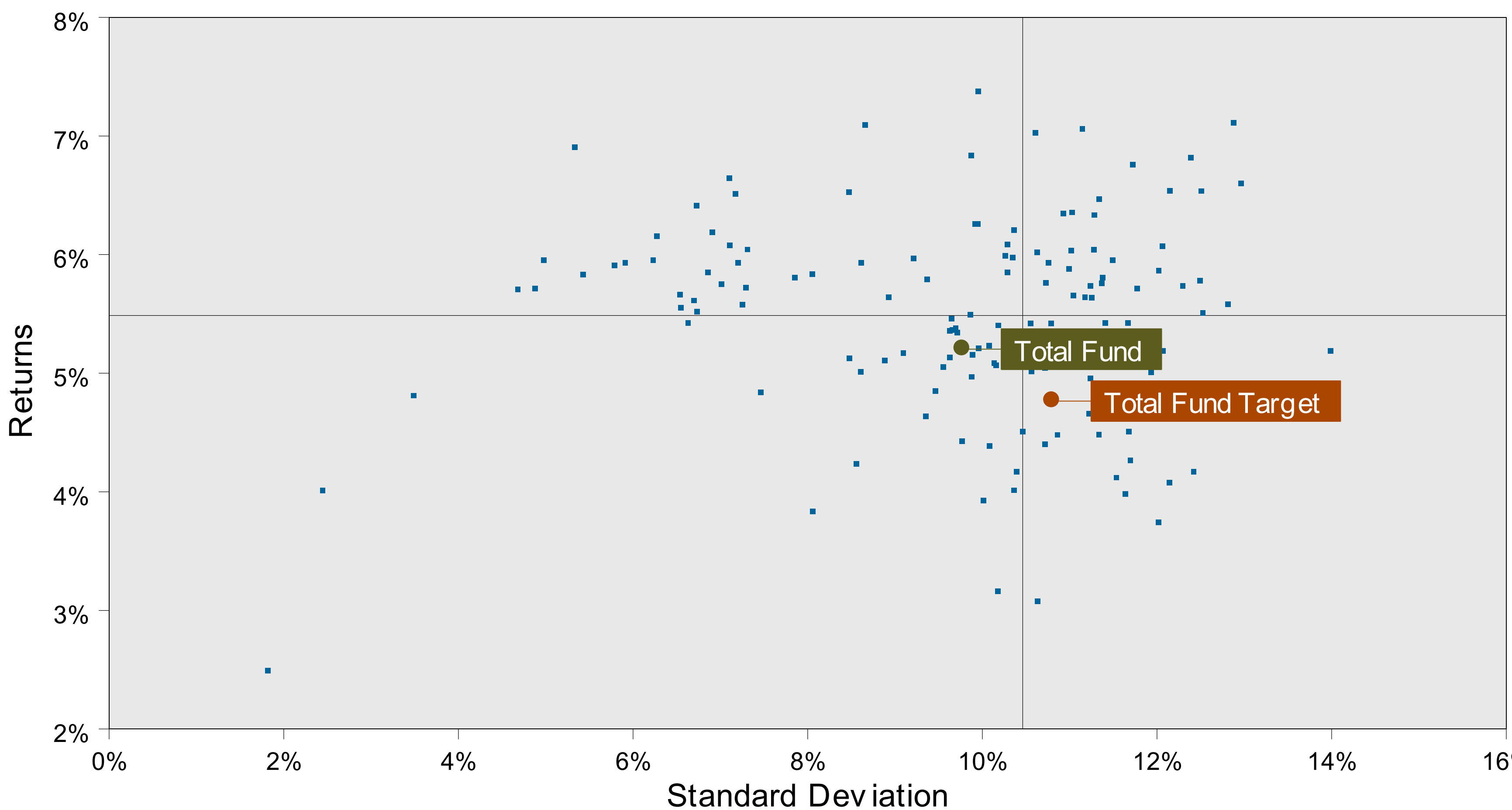


	Last Quarter	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	4.18	4.18	14.62	7.87	10.18	6.39	10.02
25th Percentile	3.58	3.58	13.18	7.29	9.38	6.10	8.91
Median	3.24	3.24	12.31	6.43	8.39	5.34	7.24
75th Percentile	2.77	2.77	11.54	5.83	7.92	5.01	6.63
90th Percentile	2.25	2.25	10.00	5.20	7.39	3.96	5.62
Member Count	40	40	40	40	40	40	25
Total Fund ● A	4.15	4.15	12.84	7.91	8.78	5.20	6.72

APFC Total Fund Return versus Standard Deviation

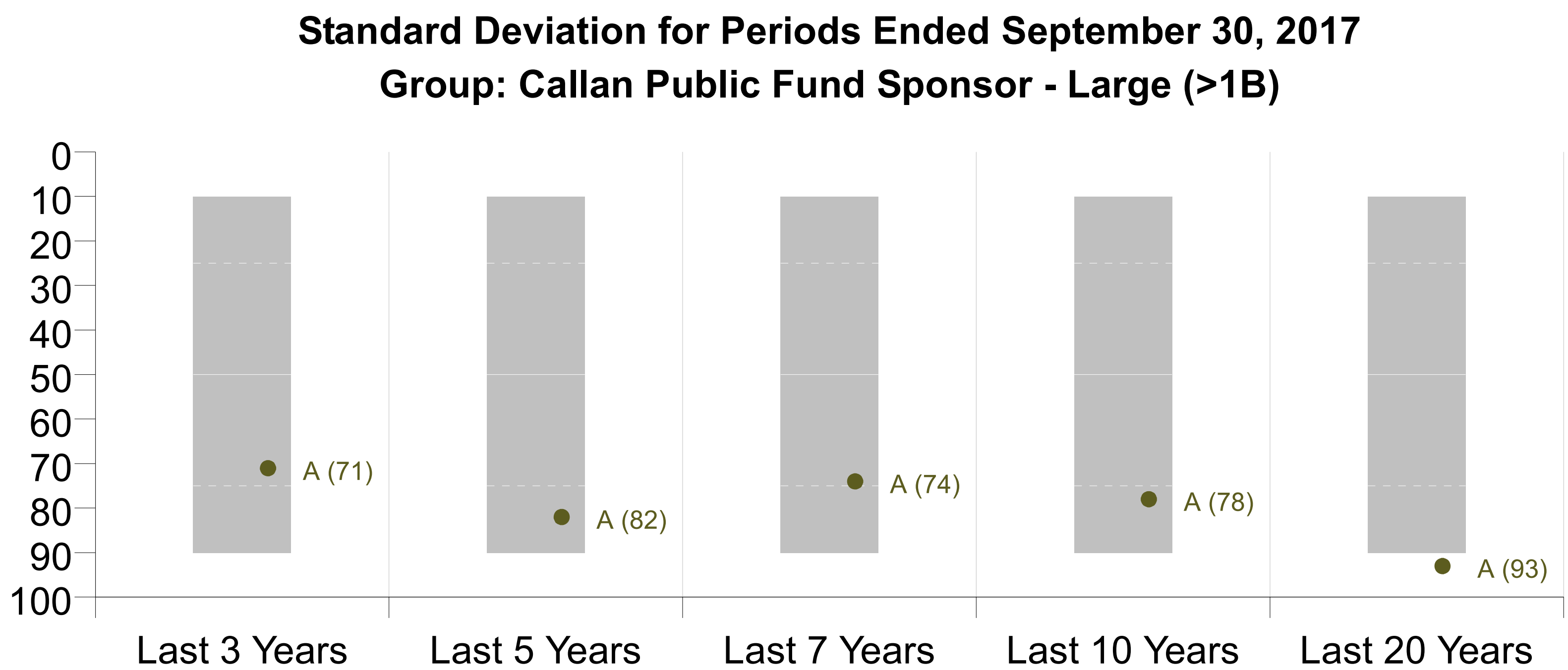
Relative to Callan's Public Fund Database

Ten Year Annualized Risk vs Return



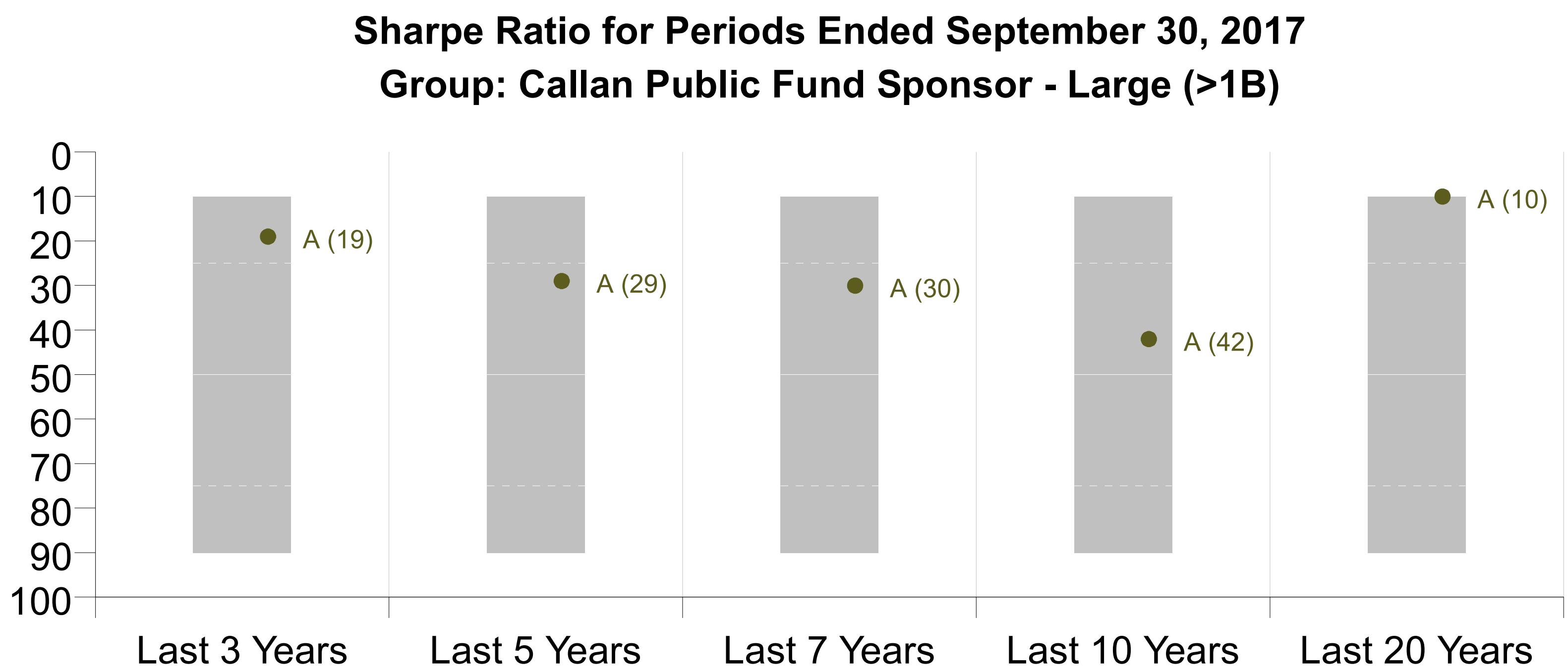
Squares represent membership of the Callan Public Fund Sponsor Database

APFC Total Fund Standard Deviation Relative to Callan's Large Public Fund Database



	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
10th Percentile	6.09	5.97	8.57	12.35	11.29
25th Percentile	5.62	5.42	7.68	11.47	10.95
Median	5.05	5.11	6.98	10.88	10.56
75th Percentile	4.66	4.66	6.22	9.97	9.98
90th Percentile	4.10	4.17	5.74	8.75	9.18
Member Count	64	61	61	60	46
Total Fund ● A	4.77	4.55	6.24	9.78	9.05

APFC Total Fund Sharpe Ratio Relative to Callan's Large Public Fund Database



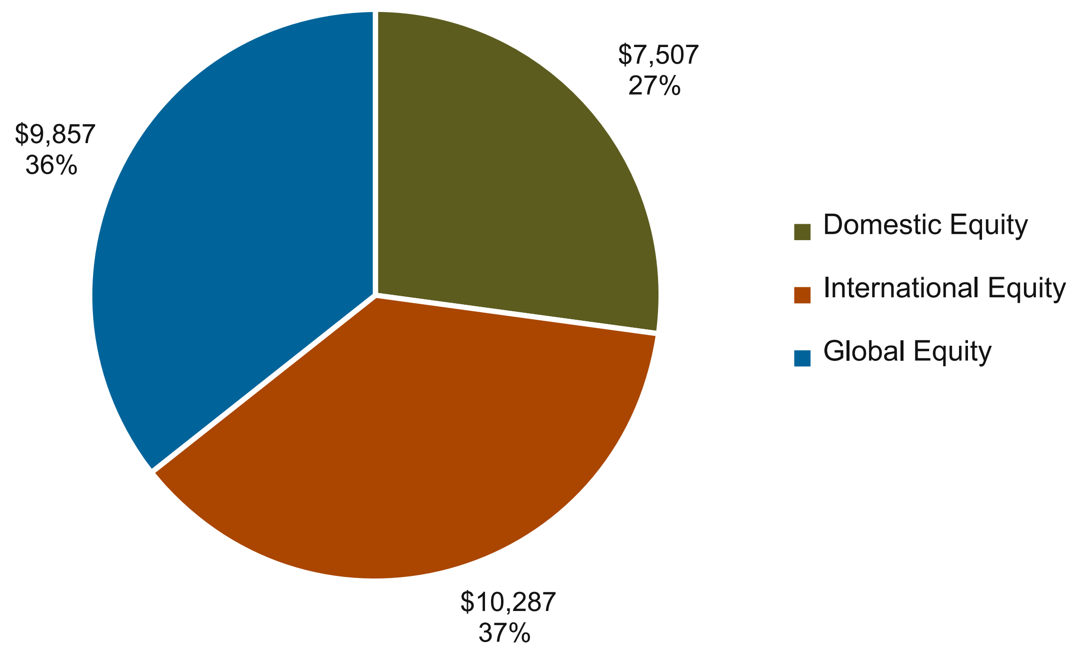
	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20 Years
10th Percentile	1.76	2.09	1.44	0.62	0.51
25th Percentile	1.55	1.91	1.37	0.52	0.47
Median	1.37	1.71	1.22	0.47	0.44
75th Percentile	1.15	1.46	1.13	0.42	0.41
90th Percentile	1.04	1.28	1.06	0.39	0.37
Member Count	64	61	61	60	46
Total Fund ● A	1.59	1.88	1.33	0.48	0.51

Asset Classes
Structure and Performance

APFC Public Market Equity Structure

As of September 30, 2017

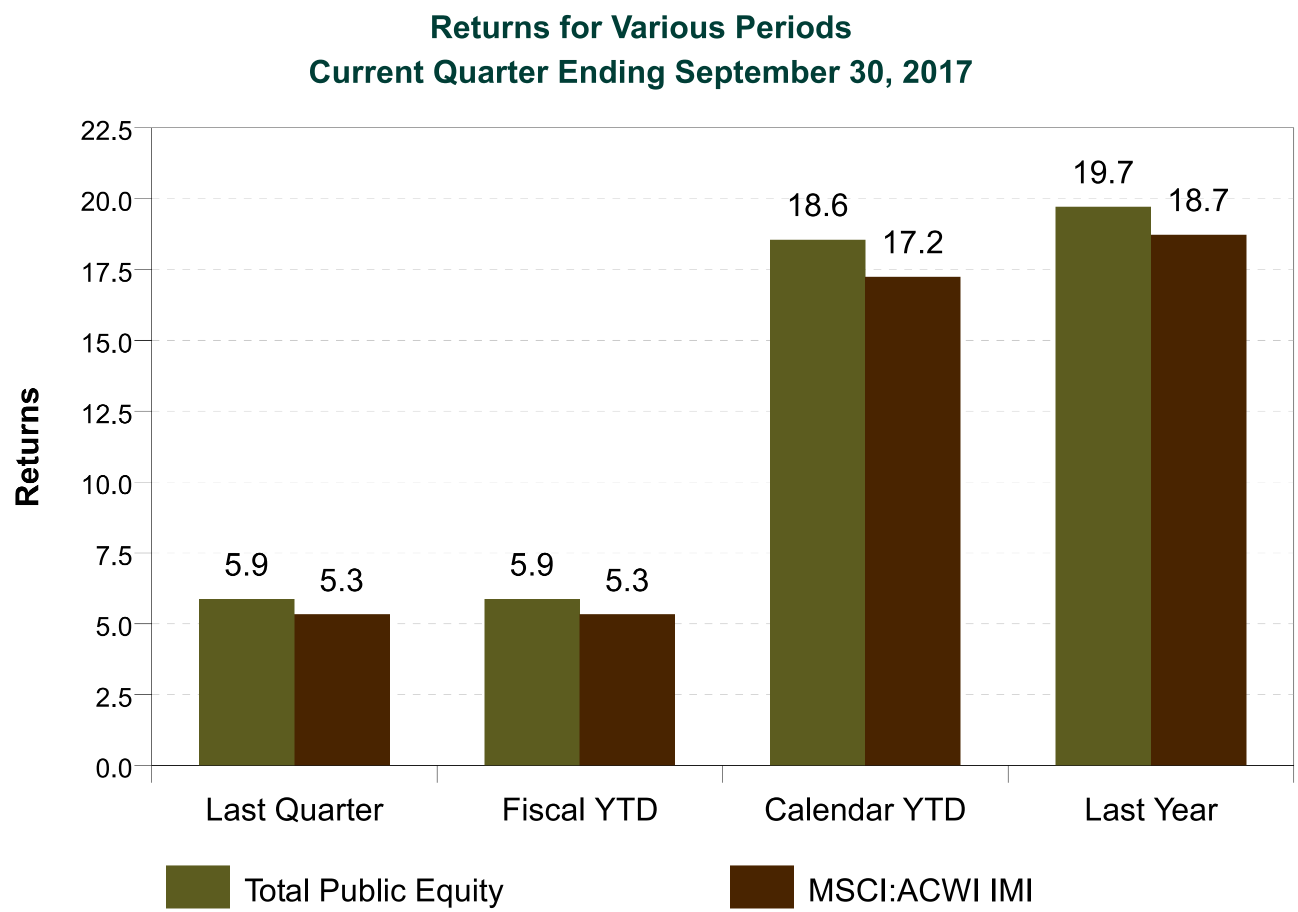
- APFC public equity portfolio has a weighting of roughly 47% in US equity, and 53% in non-US equity.
- The MSCI ACWI IMI benchmark has a weighting of roughly 52% in US equity, and 48% in non-US equity.
- The median allocation to US equity across public equity portfolios in Callan's Large Public Fund Sponsor database is roughly 60%.
- Note that all of the following information does not include the Juno Therapeutics exposure, which resides within the Growth Opportunities allocation.



APFC Public Equities Performance vs. MSCI ACWI-IMI

Periods Ended September 30, 2017

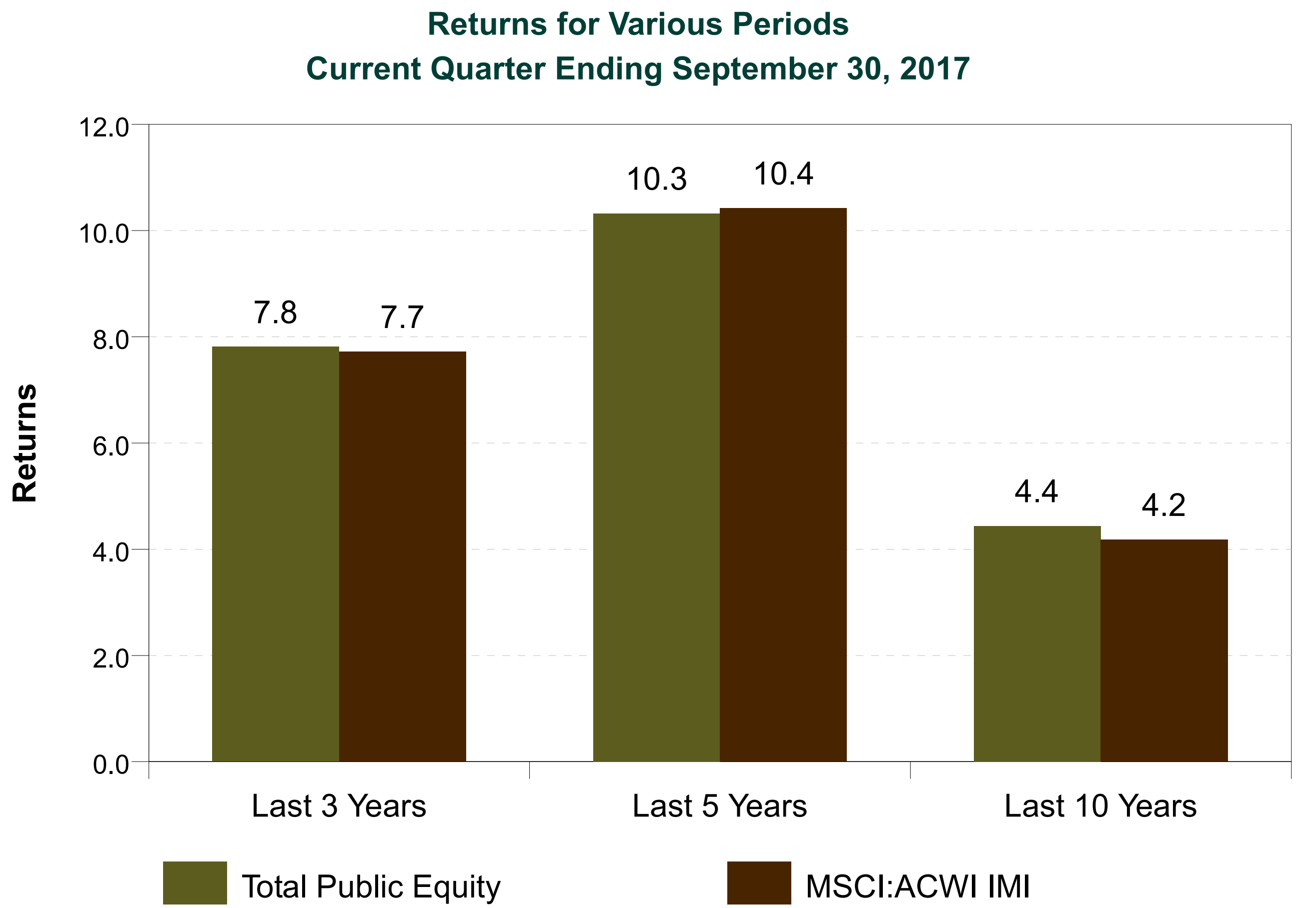
- The total public equity portfolio outperformed the MSCI ACWI IMI index in the third quarter.
- The portfolio is solidly ahead of the benchmark over the trailing 12 months.
- Much of this outperformance is primarily attributable to the portfolio's overweight exposure to non-US equity, including emerging markets, along with strong absolute performance from US managers.



APFC Public Equities Performance vs. MSCI ACWI-IMI

Periods Ended September 30, 2017

- The total public equity portfolio closely tracks the benchmark over intermediate- and long-term periods shown on the chart.
- Overall, the public equity portfolio is well diversified across regions, countries, and underlying strategies.
- It should be expected to track the index over time.

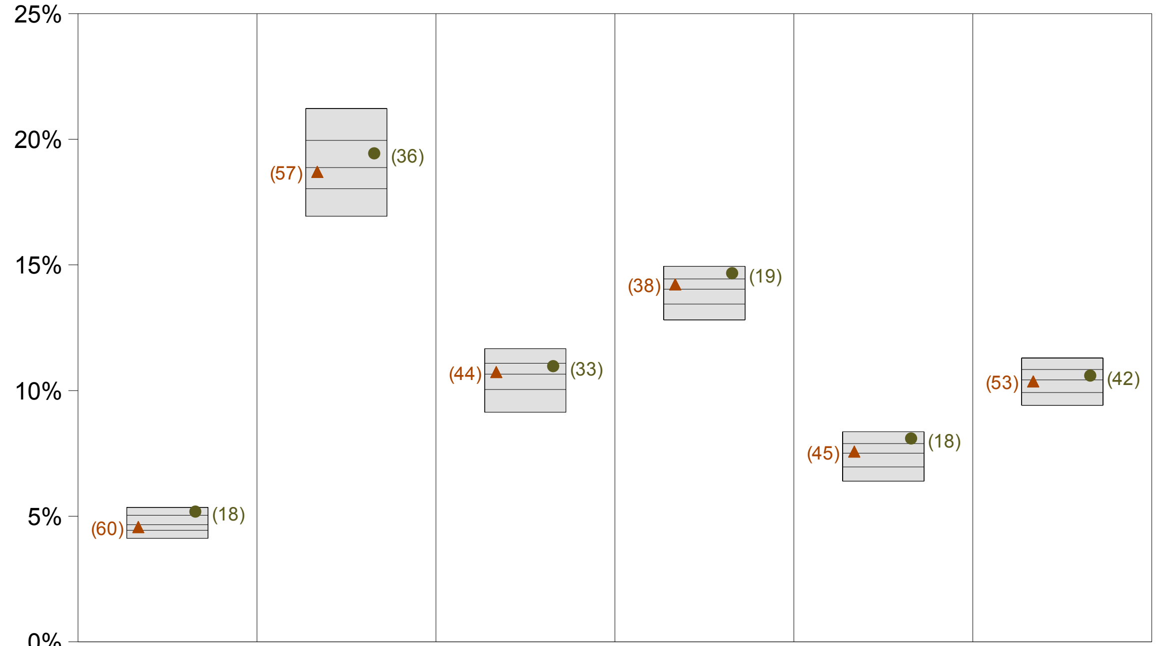


APFC US Equity Performance vs. Fund Sponsor US Equity

Periods Ended September 30, 2017

- Universe is comprised of total domestic equity portfolios of large institutional investors in Callan's Fund Sponsor Database.
- APFC total US equity portfolio ranks favorably against US equity portfolios of other large institutional investors over all time periods shown.
- US equity portfolio returned +5.1% in the 3rd quarter of 2017.
- Longer-term performance exceeds the benchmark and ranks above median.

Performance vs Fund Spnsr- Domestic Equity (Gross)

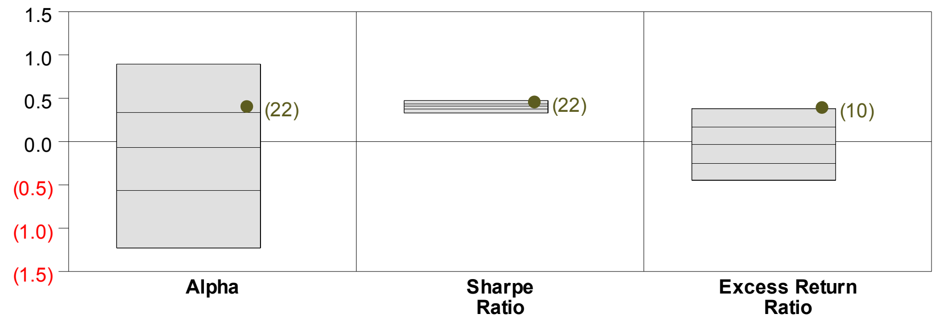


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
10th Percentile	5.35	21.22	11.67	14.94	8.36	11.30
25th Percentile	5.03	19.96	11.08	14.44	7.89	10.84
Median	4.66	18.88	10.66	14.04	7.50	10.42
75th Percentile	4.44	18.04	10.05	13.44	6.96	9.92
90th Percentile	4.12	16.93	9.14	12.81	6.39	9.42
Total Domestic Equity ●	5.13	19.38	10.92	14.62	8.04	10.54
Russell 3000 Index ▲	4.57	18.71	10.74	14.23	7.57	10.37

APFC US Equity Portfolio Risk Adjusted Return Rankings

- Universe comprised of total domestic equity portfolios of large institutional investors in Callan's Fund Sponsor Database.
- For the trailing ten-year period, APFC portfolio ranks in the top quartile for all three risk adjusted return measures.
- Alpha measures contribution to performance – portfolio's return above index adjusted for risk.
- Sharpe Ratio represents return gained per unit of risk taken (return/risk).
- Excess Return Ratio measures alpha (return above benchmark) divided by tracking error (risk versus benchmark).

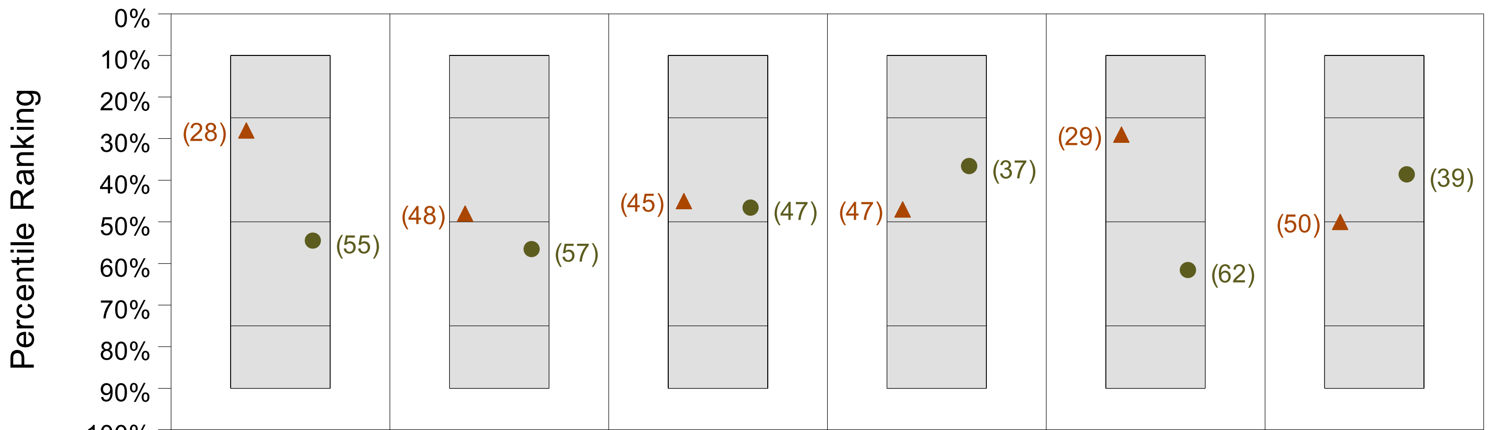
Risk Adjusted Return Measures vs Russell 3000 Index
Rankings Against Fund Sponsor Domestic Equity
Ten Years Ended September 30, 2017



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.89	0.47	0.38
25th Percentile	0.34	0.44	0.17
Median	(0.07)	0.41	(0.03)
75th Percentile	(0.56)	0.38	(0.25)
90th Percentile	(1.23)	0.33	(0.45)
Total Domestic Equity ●	0.39	0.44	0.38

APFC US Equity Portfolio Characteristics Rankings

Portfolio Characteristics Percentile Rankings
Rankings Against Total Domestic Equity Database
as of September 30, 2017



	Weighted Median Market Cap	Price/Fore-casted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	92.02	26.17	4.71	19.06	2.44	0.86
25th Percentile	67.48	21.59	3.66	15.55	1.95	0.50
Median	15.69	18.62	2.70	12.78	1.43	(0.01)
75th Percentile	3.23	16.81	2.13	10.59	0.92	(0.33)
90th Percentile	1.86	15.29	1.85	8.77	0.58	(0.65)
Total Domestic Equity ●	12.06	18.10	2.78	13.96	1.18	0.15
Russell 3000 Index ▲	61.50	18.79	2.85	12.94	1.87	(0.01)

- US equity portfolio has a slight growth bias relative to both the index and the universe of institutional equity portfolios. The portfolio also has a small capitalization bias relative to the index.
- Portfolio's growth tilt and small capitalization bias both benefitted performance during the third quarter.

Capitalization and Style Allocation: US Equity

As of September 30, 2017

- Highlighted cells indicate largest biases relative to the Russell 3000 index.
- The overweight to growth had a positive impact during the quarter and over the past year, as growth stocks outperformed value stocks across market capitalizations.
- The small-cap overweight was also a positive contributor over the most recent quarter.
- Small and mid cap over-weights relative to the index are common in actively managed US equity portfolios.
- The overweight to growth is less common. Over the quarter, growth exposure increased slightly from 38.6% while value exposure decreased from 31.0%.
- Note that Callan's style metrics exclude the internally-overseen ETF investments. We are working to correct this going forward.

Style Exposure Matrix
Holdings as of September 30, 2017

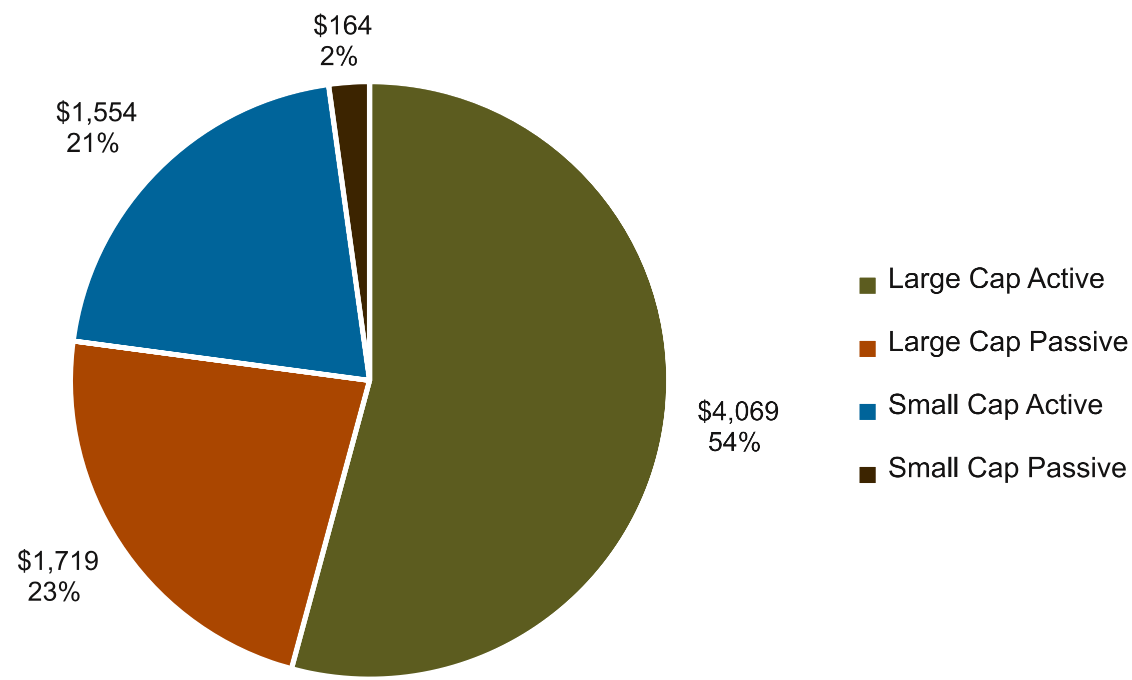
	Value	Core	Growth	**Total**
Large	17.7% (112) 28.3% (110)	12.8% (93) 20.3% (88)	25.1% (105) 25.7% (97)	**55.6% (310)** **74.4% (295)**
Mid	6.9% (171) 5.0% (170)	8.8% (208) 6.5% (224)	8.1% (162) 5.7% (197)	**23.8% (541)** **17.2% (591)**
Small	4.8% (189) 2.2% (324)	8.1% (242) 3.0% (476)	6.6% (140) 2.3% (382)	**19.4% (571)** **7.5% (1182)**
Micro	0.5% (19) 0.3% (296)	0.4% (26) 0.4% (370)	0.2% (10) 0.3% (221)	**1.1% (55)** **1.0% (887)**
Total	**30.0% (491)** **35.9% (900)**	**30.1% (569)** **30.2% (1158)**	**40.0% (417)** **33.9% (897)**	**100.0% (1477)** **100.0% (2955)**

APFC Portfolio **Russell 3000 Index**

APFC US Equity Structure

As of September 30, 2017

- US equity portfolio is roughly 75% actively managed and 25% passive (or quasi-passive).
- Structure has a slight overweight to small cap with 23% of portfolio allocated to dedicated small cap strategies.
- Roughly 70% of the large cap allocation is actively managed while 90% of the small cap allocation is actively managed.

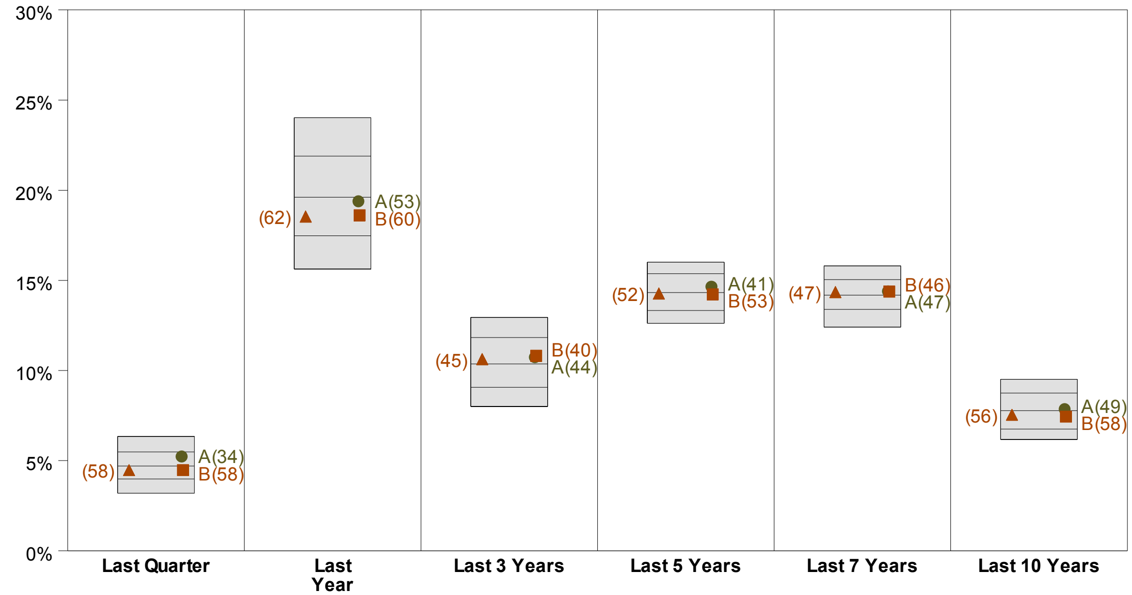


APFC Large Cap Equity Relative to Large Cap Universe

Periods Ended September 30, 2017

- APFC large cap portfolio ranks near or above the median within the large cap universe over time.
- Large cap portfolio is roughly in-line with the benchmark in the intermediate- and long-term.
- Large cap portfolio has a growth style bias and a small cap size bias relative to the index.
- Large Cap Equity Composite was ahead of the Index in the 3rd quarter. Returns were lifted by large cap growth performance, which bested large cap value by almost 3%. Additionally, small cap stocks outperformed large cap stocks by more than 2% during the quarter, improving performance.

Performance vs Callan Large Capitalization (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	6.35	24.02	12.94	16.01	15.80	9.52
25th Percentile	5.49	21.89	11.83	15.37	15.04	8.75
Median	4.71	19.62	10.36	14.32	14.18	7.77
75th Percentile	3.99	17.48	9.07	13.33	13.39	6.75
90th Percentile	3.19	15.62	8.00	12.62	12.41	6.18
Large Cap Equity Composite ● A	5.16	19.31	10.66	14.58	14.33	7.78
Standard & Poor's 500 ■ B	4.48	18.61	10.81	14.22	14.38	7.44
Russell 1000 Index ▲	4.48	18.54	10.63	14.27	14.35	7.55

Capitalization and Style Allocation: Large Cap Equity

As of September 30, 2017

- Highlighted cells indicate largest biases relative to the Russell 1000 index.
- The large cap portfolio has a slight small cap tilt relative to the benchmark in the dimension of capitalization.
- Note that Callan's style metrics exclude the internally-overseen ETF investments. We are working to correct this going forward.

Style Exposure Matrix
Holdings as of September 30, 2017

	Value	Core	Growth	Total
Large	23.8% (112) 30.7% (110)	17.1% (93) 22.0% (88)	33.5% (104) 27.9% (97)	**74.3% (309)** **80.6% (295)**
Mid	7.3% (167) 5.2% (162)	8.9% (194) 6.8% (207)	6.2% (116) 5.8% (174)	**22.5% (477)** **17.8% (543)**
Small	1.1% (132) 0.8% (61)	1.4% (104) 0.5% (44)	0.6% (27) 0.3% (33)	**3.1% (263)** **1.6% (138)**
Micro	0.1% (12) 0.0% (0)	0.0% (5) 0.0% (0)	0.0% (0) 0.0% (0)	**0.1% (17)** **0.0% (0)**
Total	**32.2% (423)** **36.7% (333)**	**27.4% (396)** **29.3% (339)**	40.3% (247) 34.0% (304)	**100.0% (1066)** **100.0% (976)**

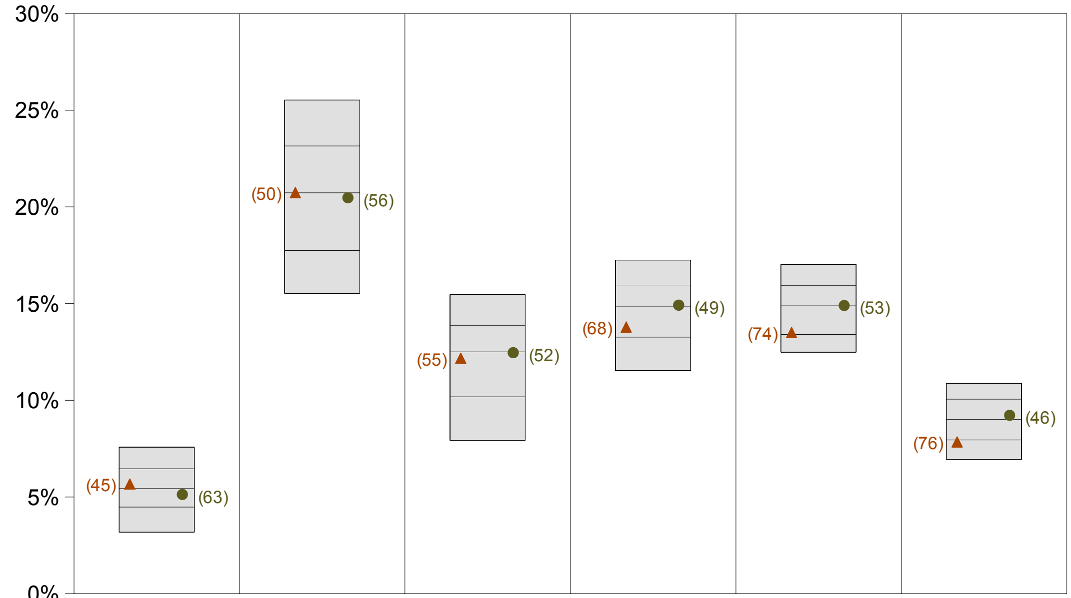
APFC Portfolio **Russell 1000 Index**

APFC Small Cap Equity Relative to Small Cap Universe

Periods Ended September 30, 2017

- APFC small cap portfolio ranks near the small cap universe median over all time periods, except this past quarter.
- 3rd quarter results trailed the index by 60 basis points. Performance for periods of three years and greater is ahead of the benchmark. Trailing year performance lags, but is strong in absolute sense.
- APFC small cap investments are relatively mature and successful products. Due to higher AUM levels, such products tend to maintain a mid cap bias.
- Portfolio's growth tilt contributed to returns, as growth outperformed value by 1.1% during the quarter.

Performance vs Callan Small Capitalization (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	7.58	25.53	15.46	17.25	17.02	10.88
25th Percentile	6.46	23.15	13.88	15.96	15.94	10.06
Median	5.43	20.74	12.50	14.84	14.89	9.01
75th Percentile	4.48	17.75	10.18	13.27	13.41	7.94
90th Percentile	3.18	15.53	7.93	11.54	12.49	6.94
Small Cap Equity Composite ●	5.07	20.41	12.39	14.86	14.84	9.16
Russell 2000 Index ▲	5.67	20.74	12.18	13.79	13.51	7.85

Capitalization and Style Allocation Small Cap Equity

As of September 30, 2017

- The APFC small cap equity portfolio has a higher market capitalization bias when compared to the Russell 2000 Index.
- The portfolio tends to be more growth oriented than the Index, which is relatively in-line with actively managed small cap products. The growth orientation dipped from 40.3% last quarter.

Style Exposure Matrix
Holdings as of September 30, 2017

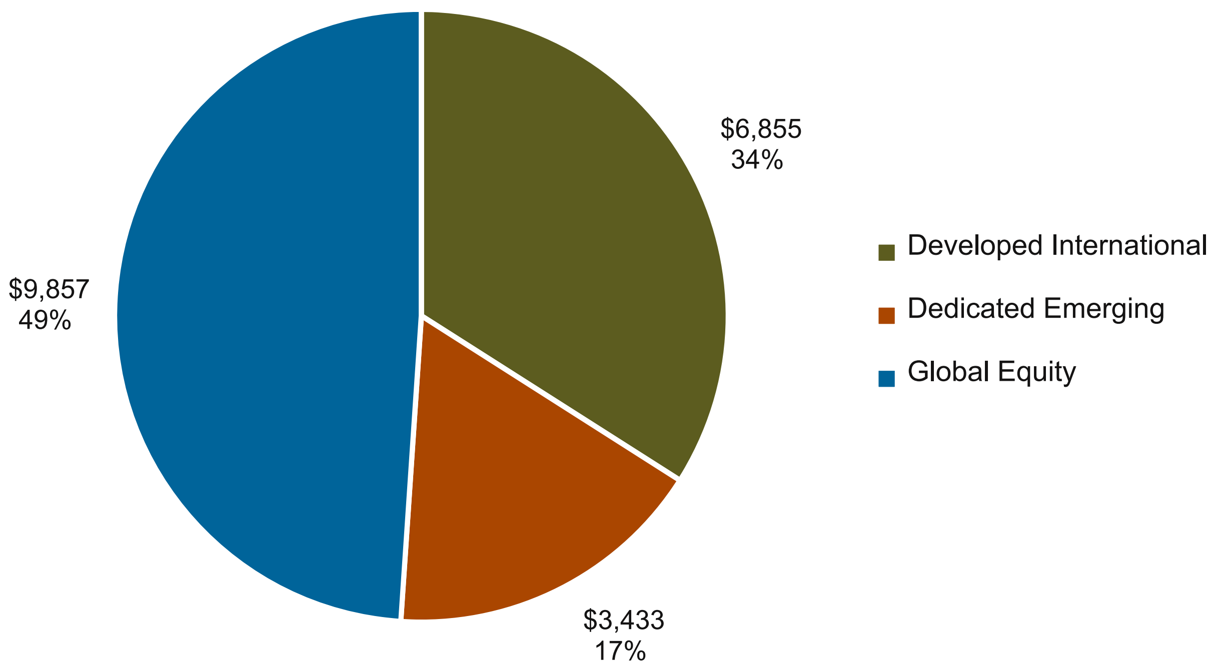
	Value	Core	Growth	**Total**
Large	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.4% (1) 0.0% (0)	**0.4% (1)** **0.0% (0)**
Mid	5.8% (63) 1.7% (8)	8.6% (91) 3.2% (17)	13.4% (78) 4.5% (23)	27.8% (232) 9.3% (48)
Small	15.8% (135) 19.7% (263)	27.8% (194) 32.7% (432)	24.1% (127) 25.5% (349)	**67.8% (456)** **77.8% (1044)**
Micro	1.7% (10) 4.2% (296)	1.3% (21) 5.2% (370)	0.9% (10) 3.4% (221)	**4.0% (41)** **12.8% (887)**
Total	**23.3% (208)** **25.6% (567)**	**37.8% (306)** **41.1% (819)**	38.9% (216) 33.3% (593)	**100.0% (730)** **100.0% (1979)**

APFC Portfolio **Russell 2000 Index**

APFC Non-US Equity Structure

As of September 30, 2017

- Portfolio is divided between global, non-US, and emerging markets mandates.
- Both global and non-US equity managers invest in emerging markets.
- Global managers invest in US markets as part of their mandate.

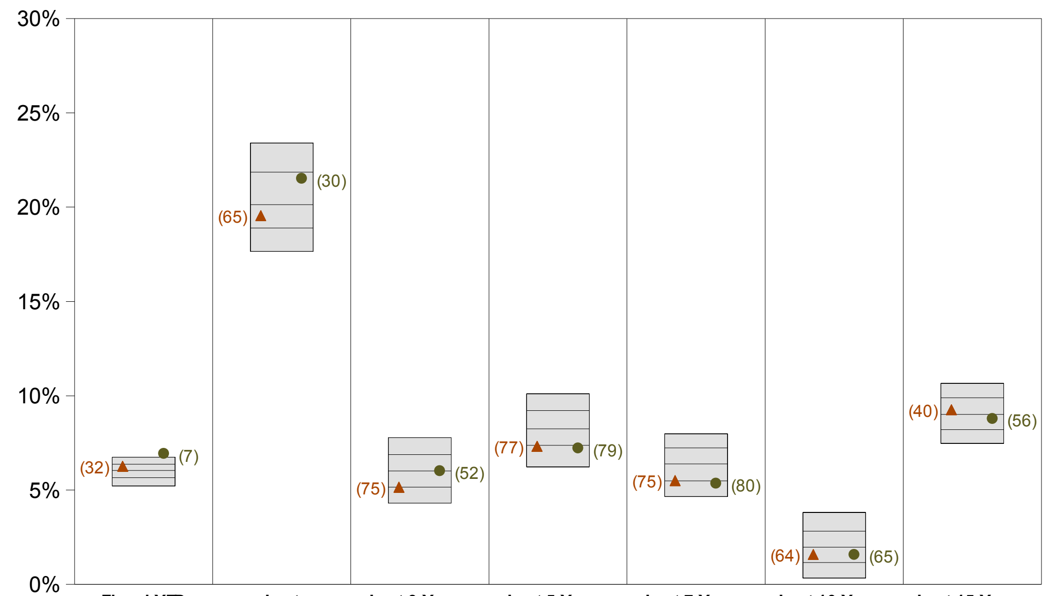


APFC International Equity Relative to Fund Sponsor Universe

Periods Ended September 30, 2017

- During the quarter, continued positive economic news out of Europe, and an Emerging Markets rally, propelled overseas returns for US investors. As a result, APFC international equity portfolio exceeded its target. Longer-term returns sit behind the benchmark, but the gap has continued to narrow.
- Relative to other fund sponsor international equity portfolios, performance mostly sits below median over time.
- In the intermediate-term developed markets have outperformed emerging markets. However, emerging equities have done better recently and over the last 10- and 15-years.
- This has had a positive impact on portfolio's short- and long- term returns, and a negative impact on portfolio's intermediate-term returns.

Performance vs Fund Spnsr- International Equity (Gross)



	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years
10th Percentile	6.75	23.40	7.78	10.11	7.98	3.81	10.66
25th Percentile	6.37	21.86	6.88	9.21	7.23	2.82	9.89
Median	6.05	20.13	6.01	8.25	6.38	1.97	9.01
75th Percentile	5.66	18.89	5.16	7.37	5.48	1.16	8.21
90th Percentile	5.22	17.65	4.31	6.23	4.66	0.33	7.48
International Equity Composite ●	6.89	21.47	5.97	7.17	5.30	1.52	8.74
MSCI ACWI ex US IMI ▲	6.27	19.55	5.16	7.32	5.50	1.59	9.26

Region and Style Allocation International Equity

As of September 30, 2017

- The APFC portfolio has a meaningful overweight to Emerging Markets (38% vs 24%).
- The portfolio is underweight Europe (33% vs 44%) and Pacific/Asia (23% vs 26%), and is roughly comparable to the Index's N. America allocation.
- During the quarter, APFC international equity portfolio benefitted from broad-based regional gains, particularly from the notable overweight to Emerging Markets, which rallied. Underweight to developed-market Pacific/Asia was also a benefit, as this region lagged all others.

Style Exposure Matrix
Holdings as of September 30, 2017

	Value	Core	Growth	Total
Europe/ Mid East	9.9% (625) 13.4% (432)	11.5% (715) 14.3% (521)	12.0% (660) 15.8% (529)	33.4% (2000) 43.5% (1482)
N. America	2.0% (155) 1.9% (96)	2.7% (166) 3.1% (114)	1.4% (119) 1.9% (102)	6.2% (440) 6.9% (312)
Pacific	8.1% (1103) 9.7% (577)	6.6% (915) 7.1% (568)	7.8% (824) 8.8% (540)	22.5% (2842) 25.5% (1685)
Emerging/ FM	12.9% (1469) 7.8% (917)	12.0% (1184) 7.0% (886)	13.0% (885) 9.4% (851)	37.8% (3538) 24.1% (2654)
Total	33.0% (3352) 32.7% (2022)	32.8% (2980) 31.4% (2089)	34.2% (2488) 35.9% (2022)	100.0% (8820) 100.0% (6133)

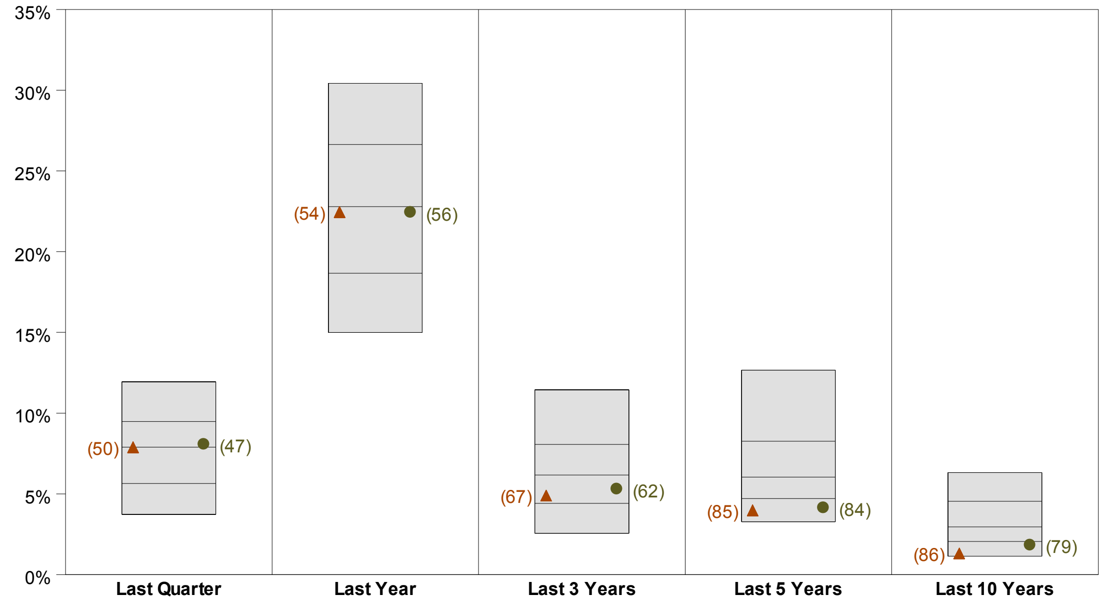
APFC Portfolio **MSCI ACWI ex-US Index**

APFC Emerging Markets Equity Relative to EM Universe

Periods Ended September 30, 2017

- APFC emerging markets equity portfolio added value during the quarter (+8.0%), slightly ahead of the benchmark.
- Nonetheless, composite's trailing one-year return is impressive in absolute terms, up over 22%.
- The portfolio underperforms the median actively managed portfolio over all time periods measured other than the most recent quarter.
- Recent strength in the asset class has resulted in near-term performance improvement for APFC's overall public equity portfolio.

Performance vs Emerging Markets Equity DB (Gross)



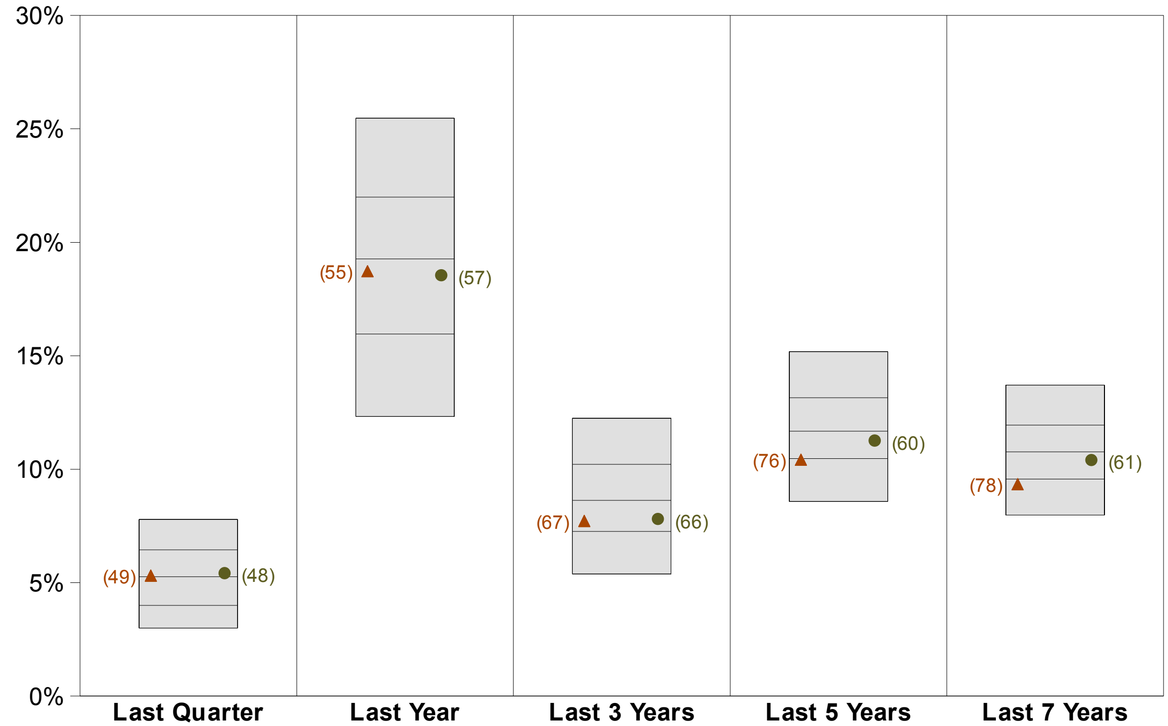
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	11.94	30.43	11.45	12.67	6.32
25th Percentile	9.48	26.65	8.06	8.26	4.54
Median	7.90	22.79	6.17	6.04	2.96
75th Percentile	5.64	18.67	4.41	4.71	2.05
90th Percentile	3.73	14.99	2.56	3.28	1.14
Emerging Markets Composite ●	8.03	22.39	5.26	4.10	1.79
MSCI EM ▲	7.89	22.46	4.90	3.99	1.32

APFC Global Equity Relative to Global Universe

Periods Ended September 30, 2017

- APFC global equity portfolio ranks in the third quartile when compared to other global equity managers over most time periods.
- Portfolio's 3rd quarter performance roughly matched the index.
- Trailing one year performance slightly trails the benchmark, but is strong in an absolute sense.
- Performance for longer time periods shown solidly exceeds the benchmark.

Performance vs Global Equity Database (Gross)

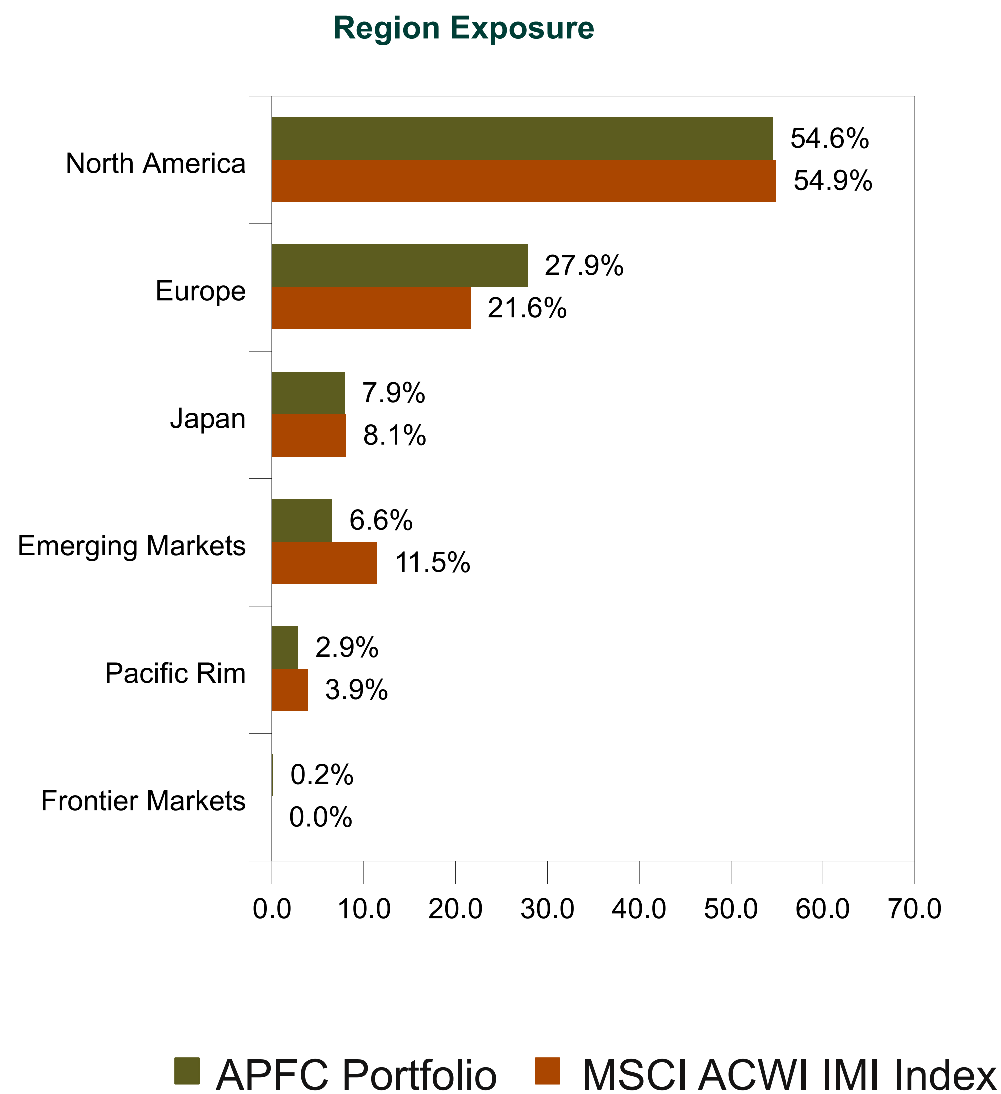


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	7.78	25.47	12.25	15.19	13.71
25th Percentile	6.45	21.99	10.22	13.15	11.95
Median	5.26	19.26	8.63	11.68	10.77
75th Percentile	4.00	15.96	7.26	10.47	9.56
90th Percentile	3.00	12.33	5.39	8.58	7.98
Global Equity ●	5.37	18.49	7.75	11.21	10.35
MSCI ACWI IMI ▲	5.32	18.73	7.72	10.42	9.34

APFC Global Equity Portfolio Region Exposure

As of September 30, 2017

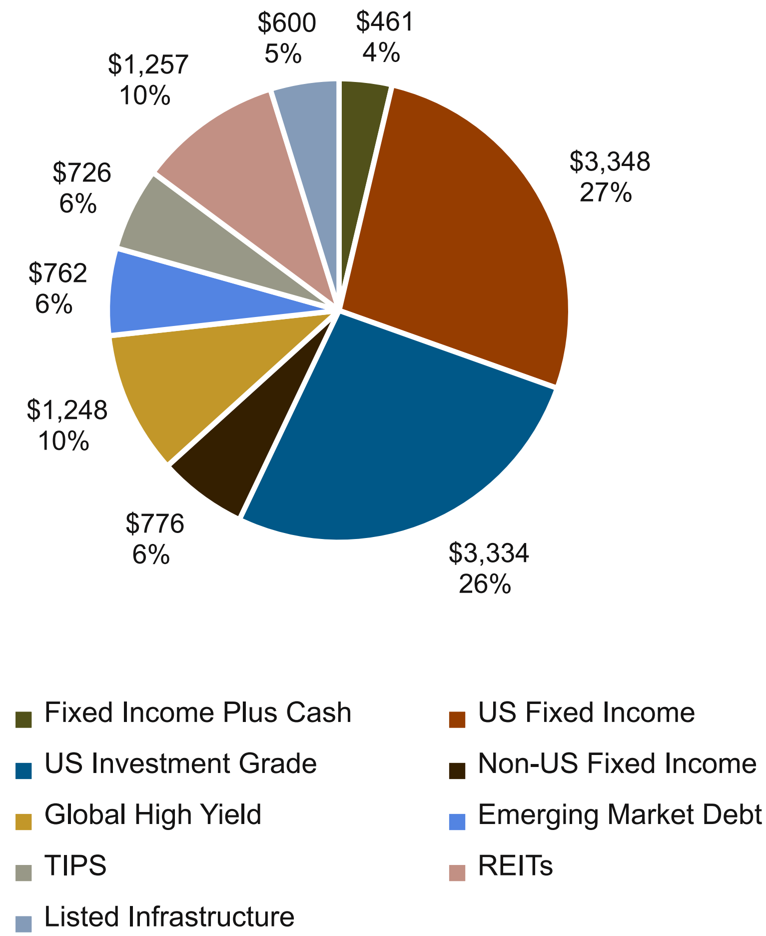
- The APFC global equity portfolio has an underweight to Emerging Markets and the Pacific Rim relative to its benchmark.
- The portfolio has a corresponding relative overweight to Europe. Allocation to North America and Japan are approximately in-line with the index.
- This positioning both helped and hurt the performance of the global equity portfolio. In particular, the benefits of the European overweight were offset by the underweight exposure to Emerging Markets.



APFC Fixed Income Plus Structure

As of September 30, 2017

- 66% of the fixed income plus portfolio is managed internally, including allocations within Fixed Income Plus Cash, US Fixed Income, US Investment Grade, Non-US Fixed Income, and TIPS.
- External mandates are focused in specialty areas including Non-US Fixed Income, Global High Yield, Emerging Market Debt, REITs, and Listed Infrastructure.

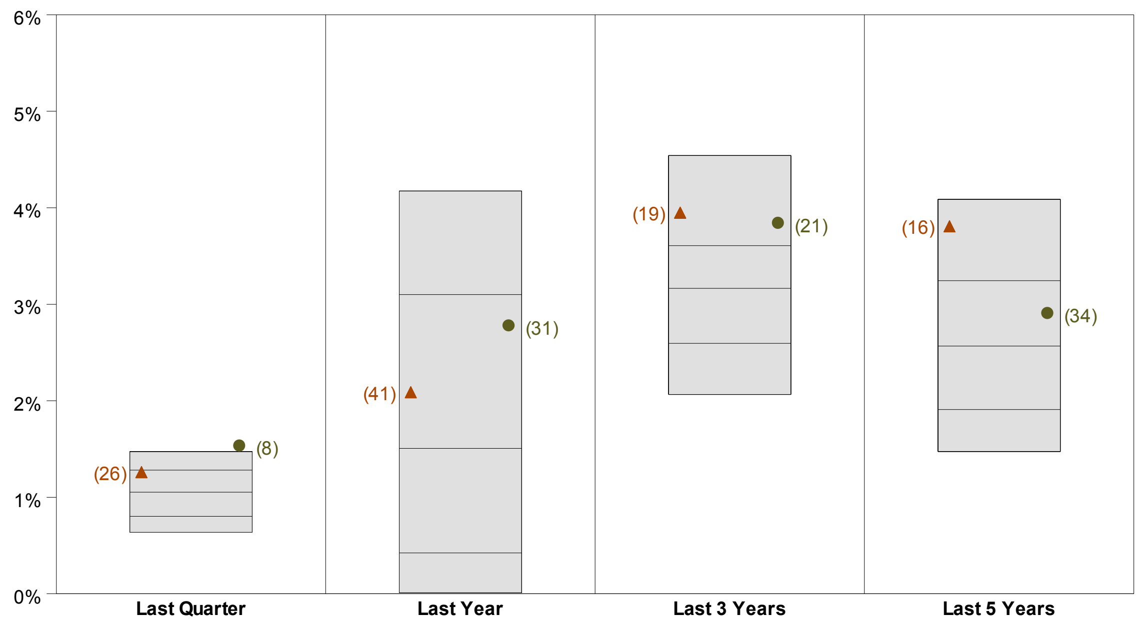


Fixed Income Plus Relative to Public Fixed Income Funds

Periods Ended September 30, 2017

- During the quarter, and over the last 12 months, the APFC Fixed Income Plus portfolio has performed better than both its benchmark and peers.
- Prior to October 1, 2016, presented history does not include REITs or Listed Infrastructure.

Performance vs Pub Pln- Domestic Fixed (Gross)



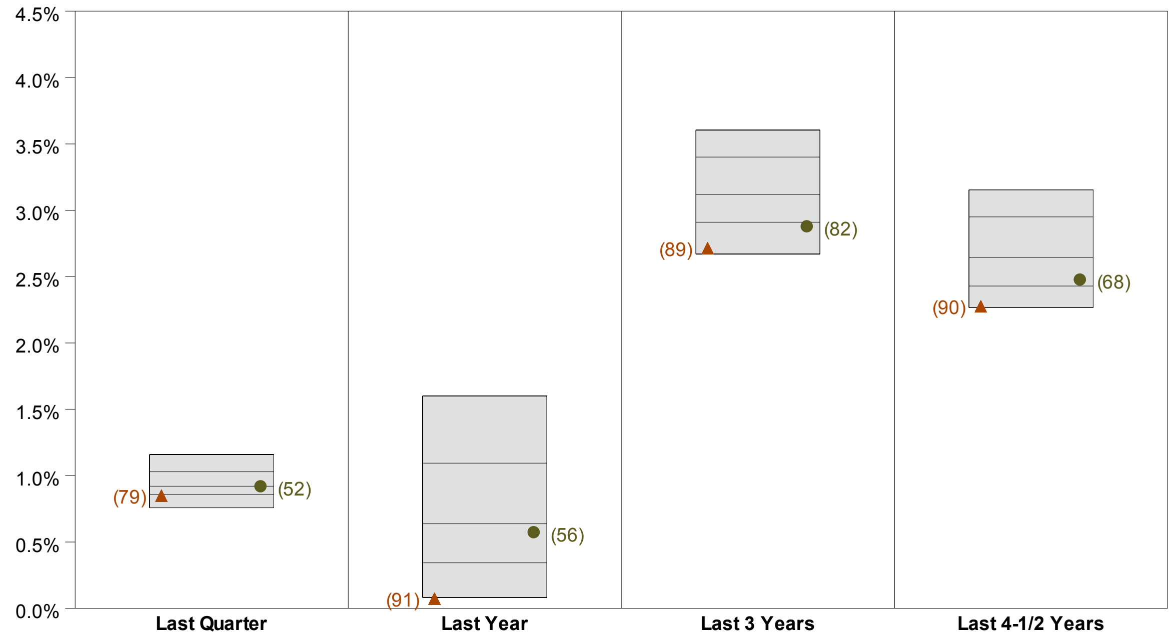
	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	1.47	4.17	4.54	4.09
25th Percentile	1.28	3.10	3.61	3.24
Median	1.05	1.51	3.16	2.57
75th Percentile	0.80	0.42	2.60	1.91
90th Percentile	0.64	0.01	2.06	1.47
Fixed Income Plus ●	1.52	2.77	3.83	2.90
Fixed Income Plus Benchmark ▲	1.26	2.09	3.95	3.81

US Fixed Income Relative to Core Bond Funds

Periods Ended September 30, 2017

- APFC US Fixed Income portfolio was slightly ahead of the benchmark during the quarter and leads the benchmark over all other time periods measured.
- At the same time, the portfolio ranks below median versus core bond portfolios for all time periods shown.

Performance vs Callan Core Bond Fixed Income (Gross)



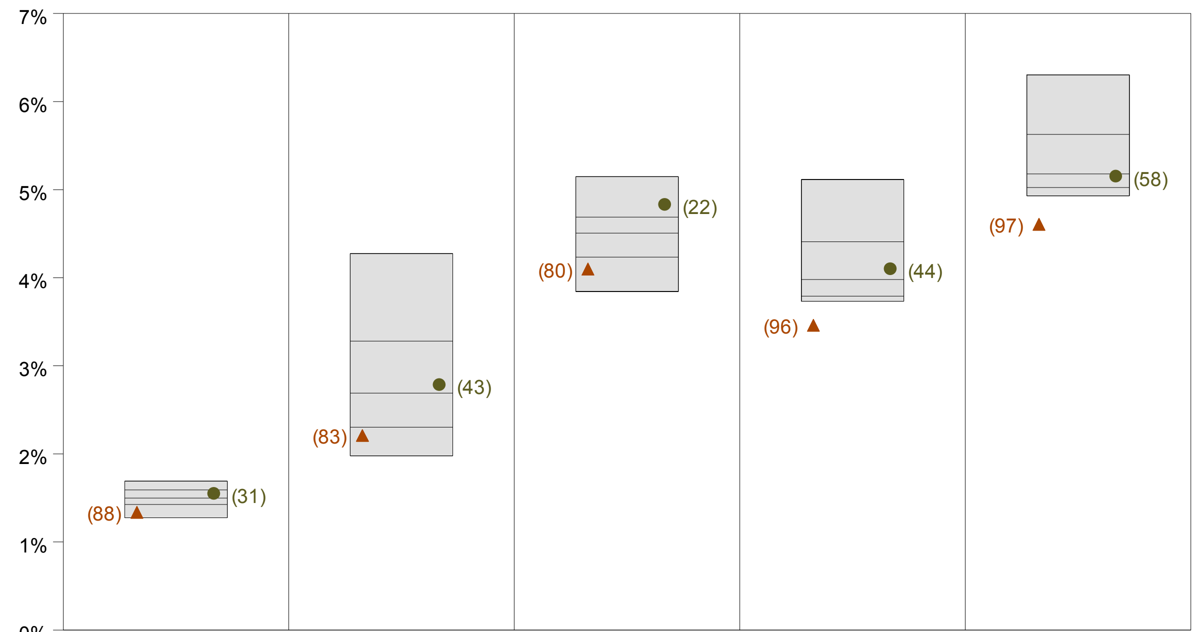
	Last Quarter	Last Year	Last 3 Years	Last 4-1/2 Years
10th Percentile	1.16	1.60	3.60	3.15
25th Percentile	1.03	1.09	3.40	2.95
Median	0.92	0.64	3.12	2.64
75th Percentile	0.86	0.34	2.91	2.43
90th Percentile	0.76	0.08	2.67	2.27
US Fixed Income Aggregate ●	0.91	0.56	2.87	2.47
Blmbg Aggregate ▲	0.85	0.07	2.71	2.28

US Investment Grade Relative to Investment Grade Funds

Periods Ended September 30, 2017

- During the recent quarter, APFC US Investment Grade portfolio added 0.2% over its index.
- The portfolio has a comfortable lead over the benchmark for all other time periods shown.
- The Investment Grade composite ranks in the top quartile over the last three years, and above or near peer median over all other time periods on the chart.

Performance vs Callan Investment Grade Credit Fixed Inc (Gross)



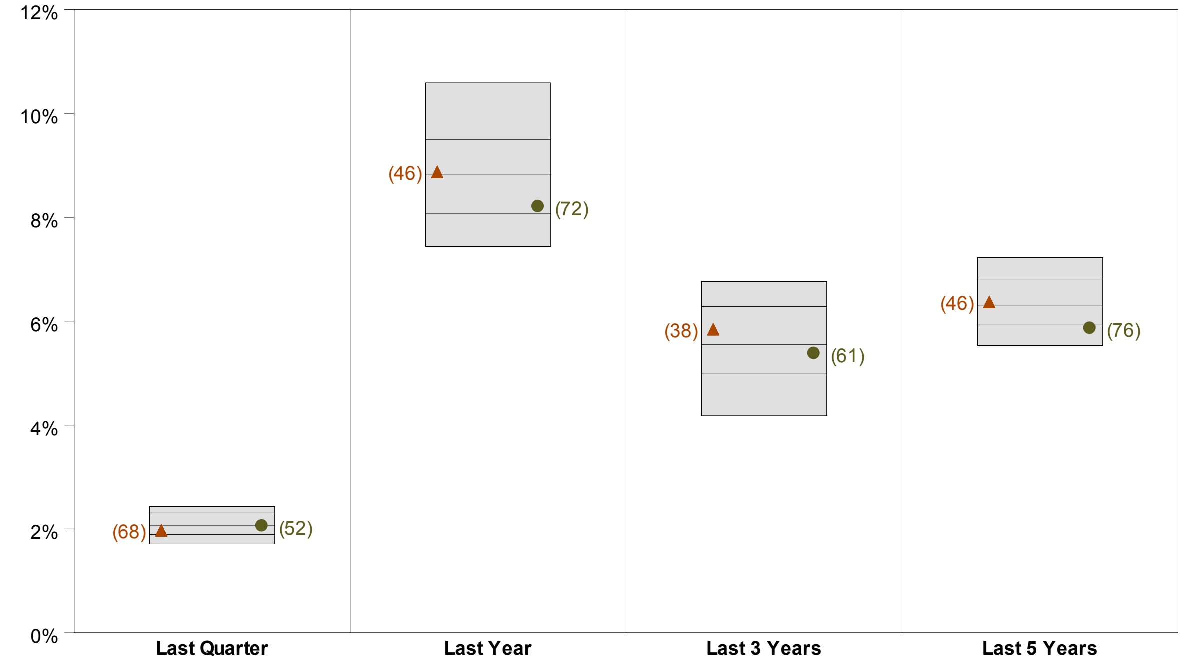
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	1.69	4.27	5.15	5.12	6.30
25th Percentile	1.59	3.28	4.69	4.41	5.63
Median	1.50	2.69	4.51	3.98	5.18
75th Percentile	1.43	2.30	4.23	3.79	5.02
90th Percentile	1.27	1.98	3.84	3.73	4.93
US Invest Grade Corp Bonds ●	1.54	2.77	4.82	4.09	5.14
Blmbg Corporate ▲	1.34	2.21	4.10	3.46	4.61

Global High Yield Relative to High Yield Funds

Periods Ended September 30, 2017

- Despite slightly outperforming the index during the 3rd quarter, the APFC Global High Yield portfolio trails its index and when compared to peers, for all longer-term time periods measured.
- This composite includes allocations to Oaktree, Capital Guardian, and an iShares ETF.

Performance vs Callan High Yield Fixed Income (Gross)



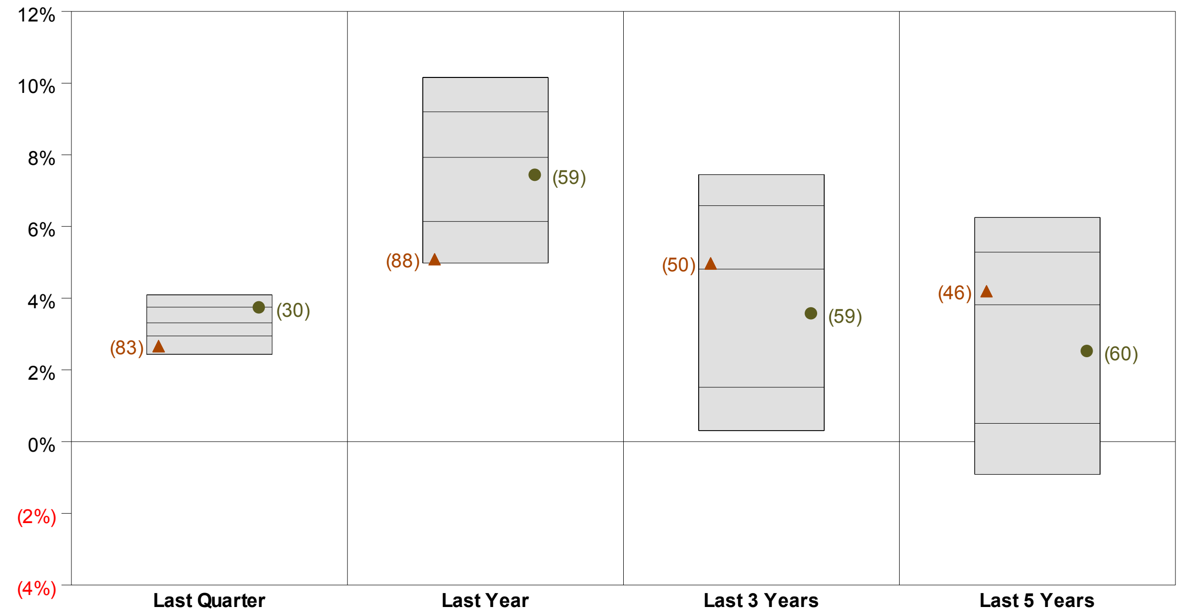
	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	2.43	10.59	6.77	7.23
25th Percentile	2.31	9.50	6.28	6.81
Median	2.06	8.82	5.55	6.29
75th Percentile	1.89	8.07	5.00	5.93
90th Percentile	1.71	7.44	4.18	5.53
Global High Yield ●	2.05	8.19	5.36	5.85
Blmbg HY 2% Iss Cap ▲	1.98	8.87	5.84	6.37

Emerging Market Debt Relative to EMD Funds

Periods Ended September 30, 2017

- APFC emerging market debt portfolio was comparable to its benchmark in the 2nd quarter.
- Trailing year performance is strong in absolute and relative sense.
- However, the EMD portfolio has fallen behind the index for the last 3- and 5-years.
- Additionally, the composite trails the median portfolio in Callan's EMD database for all time periods measured.

Performance vs Emerging Debt Database (Gross)



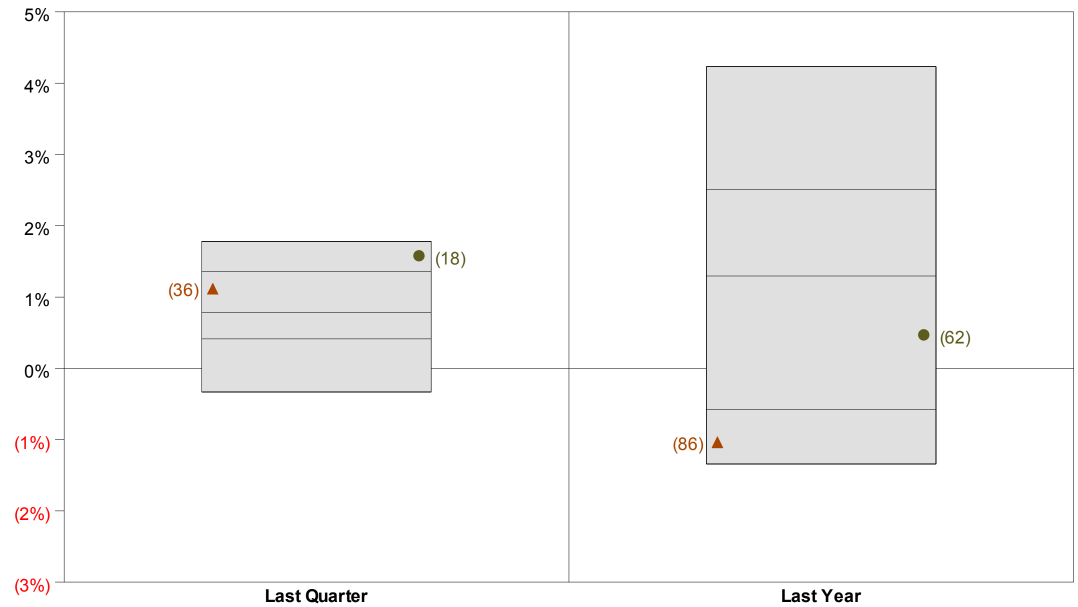
	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	4.09	10.16	7.45	6.25
25th Percentile	3.75	9.20	6.58	5.28
Median	3.31	7.93	4.81	3.82
75th Percentile	2.94	6.14	1.52	0.51
90th Percentile	2.43	4.98	0.31	(0.91)
Emerging Market Debt ●	3.71	7.41	3.54	2.49
Blmbg EM Hard Curr Agg ▲	2.66	5.09	4.97	4.20

REITs Performance Relative to Callan's REITs database

Periods Ended September 30, 2017

- APFC REITs portfolio has done well versus its benchmark over all time periods shown.
- Furthermore, the portfolio provided protection against the fall of the index for the last twelve months.
- REITs allocation includes AEW Global, SSGA, and American Homes 4 Rent.

Performance vs Callan Real Estate REIT (Gross)



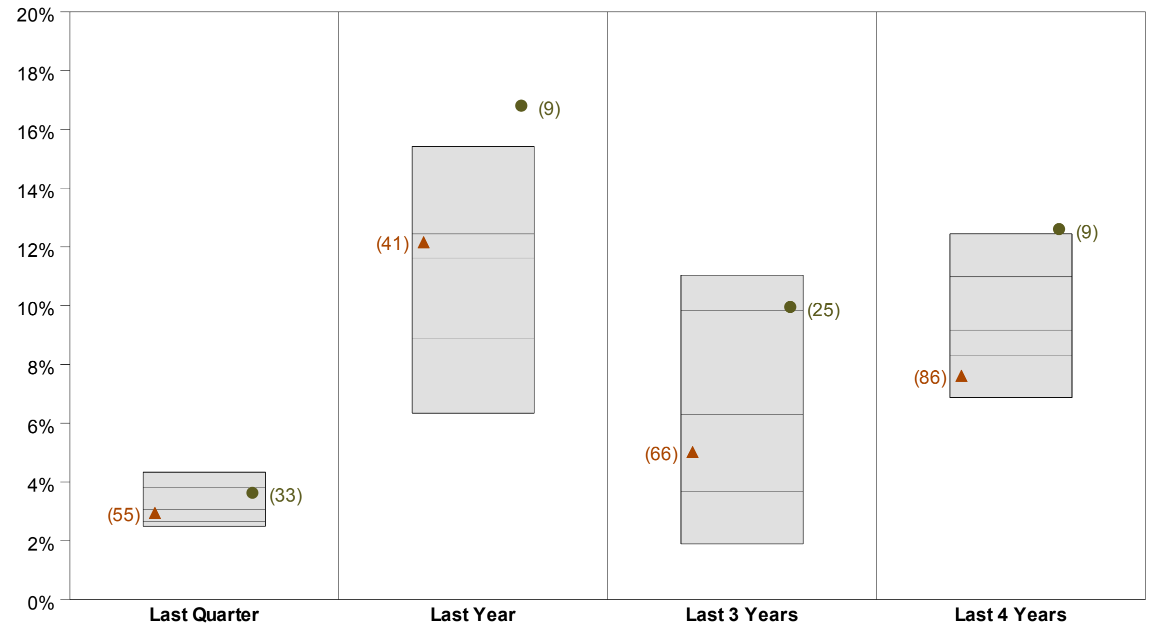
	Last Quarter	Last Year
10th Percentile	1.78	4.23
25th Percentile	1.36	2.50
Median	0.78	1.30
75th Percentile	0.41	(0.57)
90th Percentile	(0.33)	(1.34)
REITs ●	1.56	0.45
S&P Global REIT ▲	1.12	(1.04)

Listed Infrastructure Relative to Listed Infrastructure Funds

Periods Ended September 30, 2017

- APFC listed infrastructure portfolio has performed well relative to both its index and the Publicly Listed Infrastructure peer group over all time periods.
- Since Inception four years, the portfolio has outperformed its benchmark by just under 5%.
- Listed Infrastructure composite includes Lazard, Cohen & Steers, Wellington, and SSGA.

Performance vs Callan Publicly Listed Infrastructure (Gross)

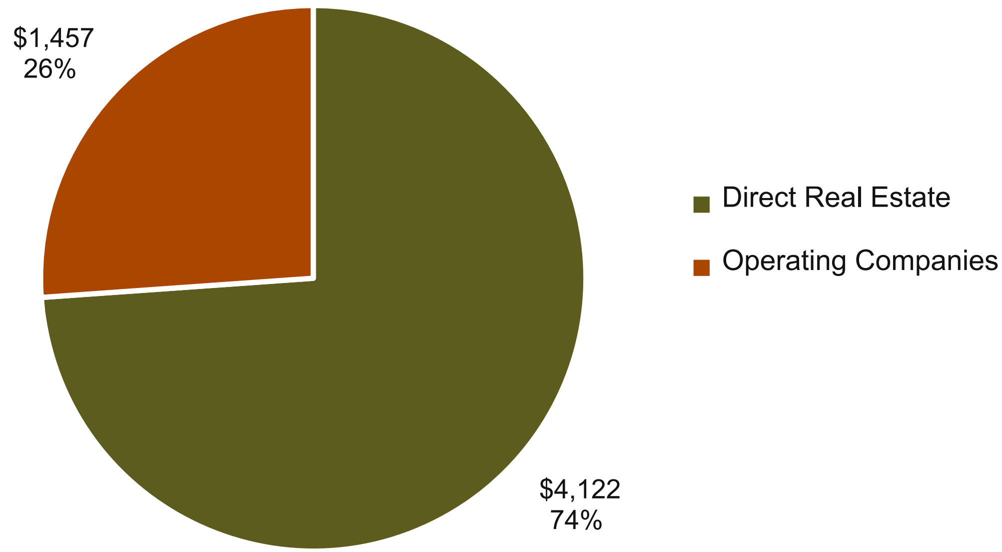


	Last Quarter	Last Year	Last 3 Years	Last 4 Years
10th Percentile	4.34	15.42	11.04	12.45
25th Percentile	3.81	12.44	9.82	10.98
Median	3.06	11.62	6.29	9.17
75th Percentile	2.65	8.87	3.67	8.29
90th Percentile	2.49	6.34	1.89	6.87
Listed Infrastructure ●	3.59	16.76	9.91	12.56
S&P Global Infrastructure ▲	2.95	12.16	5.02	7.62

APFC Real Estate Structure *(1Q LAG)*

As of September 30, 2017

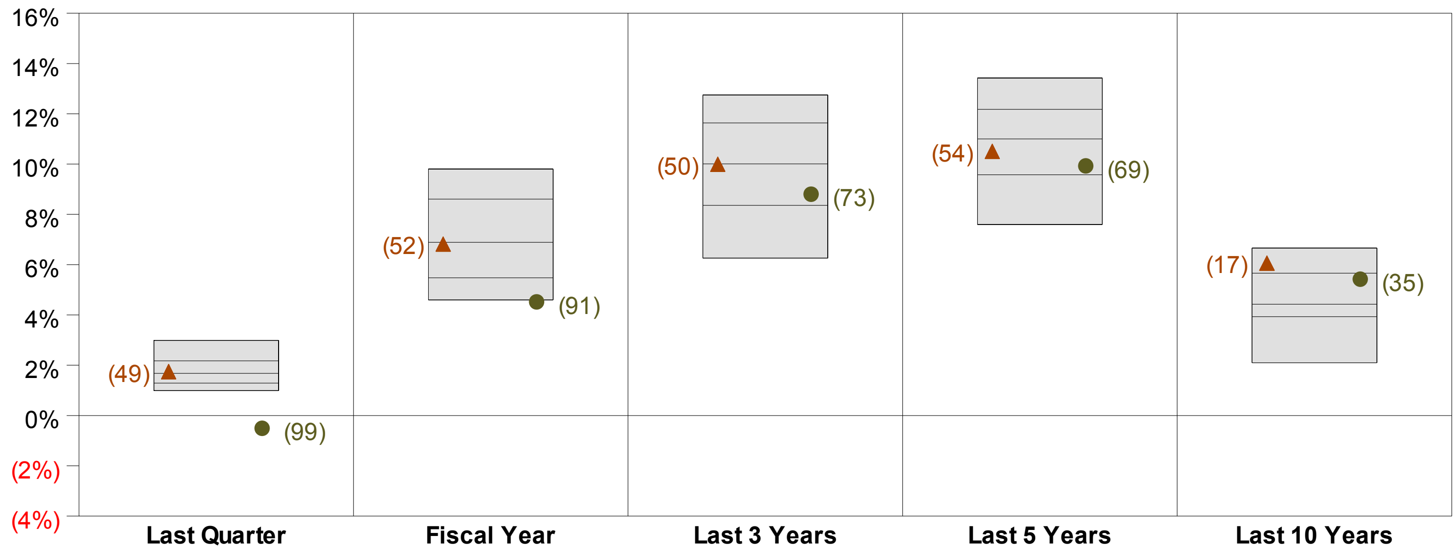
- 74% of the structure is invested in direct real estate portfolio. 9% of this allocation is invested internationally (CBRE Europe and LaSalle UK).
- 24% of the structure is invested in real estate operating companies (Simpson and Lincoln).



Real Estate Relative to Callan's Total Real Estate Database

Periods Ended September 30, 2017

Performance vs Pub Pln- Real Estate (Gross)



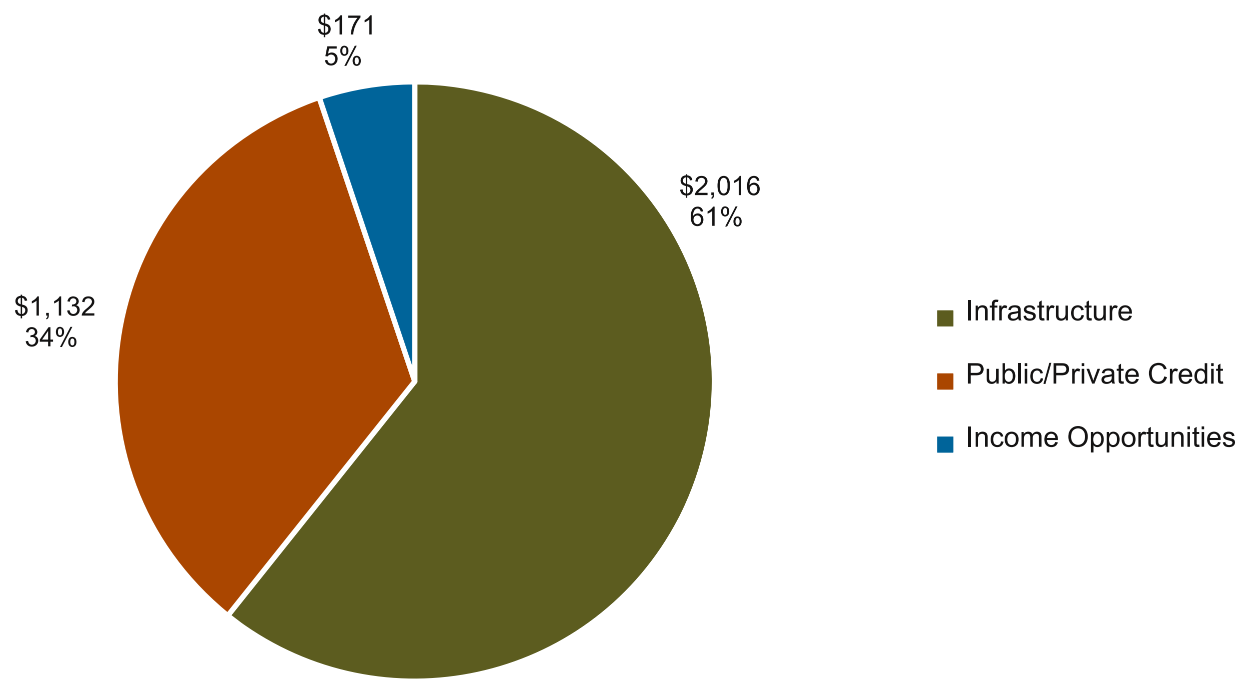
	Last Quarter	Fiscal Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	2.99	9.81	12.75	13.42	6.66
25th Percentile	2.17	8.61	11.64	12.18	5.66
Median	1.68	6.89	10.01	11.00	4.43
75th Percentile	1.29	5.48	8.36	9.58	3.93
90th Percentile	0.99	4.59	6.26	7.59	2.10
APFC Real Estate ●	(0.58)	4.45	8.73	9.85	5.35
APFC Target ▲	1.75	6.82	9.99	10.51	6.06

- Real estate portfolio performance is shown net of fees for all investments.
- APFC Real Estate trails its target for all time periods measured on the chart.
- Relative to the peer group, the portfolio ranks below median in the short-term, near median in the intermediate-term, and favorably in the long run.

APFC Infrastructure, Private Credit & Income Opp. Structure *(1Q LAG)*

As of September 30, 2017

- 61% of the structure is invested in infrastructure funds, which includes a diversified portfolio of infrastructure, timber, energy, and power assets.
- 34% of the structure is invested in public/private credit mandates including mezzanine debt, opportunistic credit, and direct lending strategies.
- 5% of the structure is invested in income opportunities, which currently includes the American Homes 4 Rent II fund.

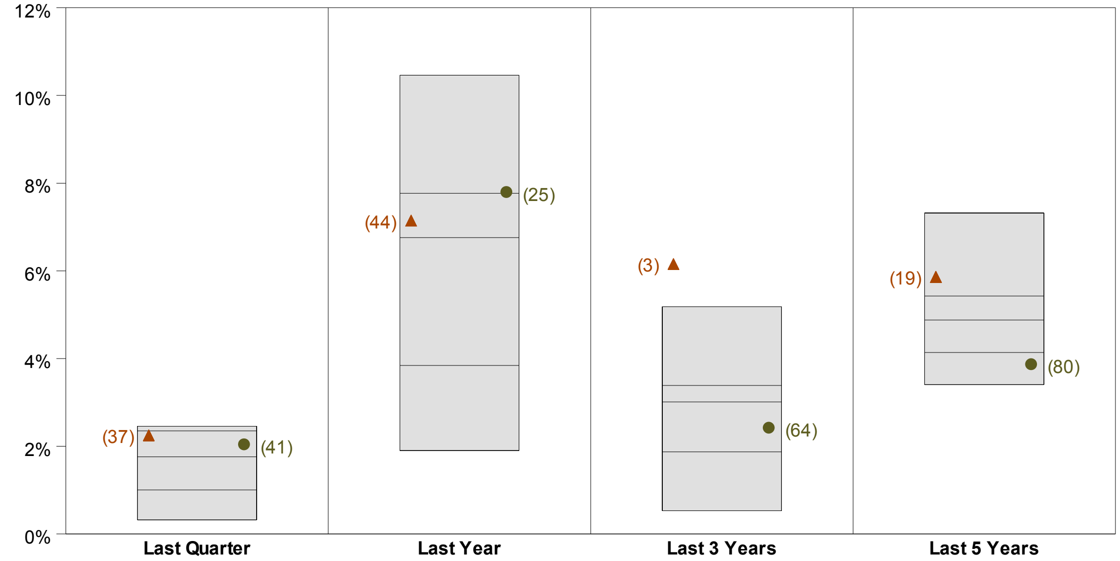


Absolute Return Portfolio Relative to HFOF Universe

Periods Ended September 30, 2017

- The portfolio is ahead of its custom benchmark for the trailing year, and behind for all other time periods.
- Absolute Return composite ranks in the top quartile relative to peers over the last year, but falls below median for the longer time periods shown on the chart.

Performance vs Callan Absolute Return Hedge Fund of Fun (Net)

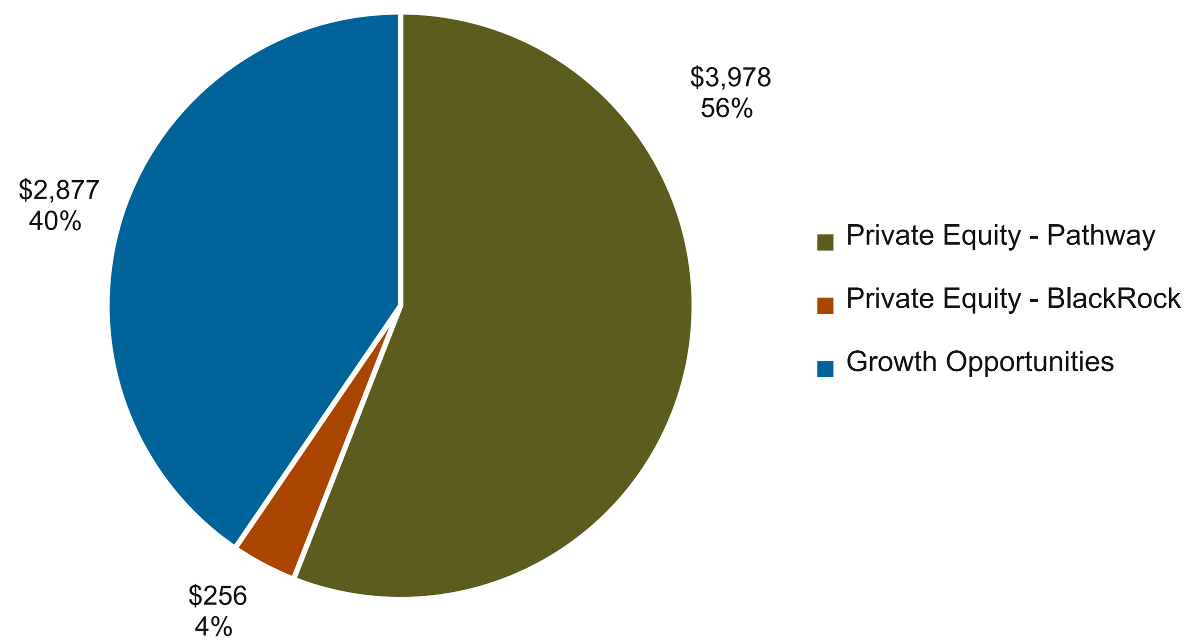


	Last Quarter	Last Year	Last 3 Years	Last 5 Years
10th Percentile	2.46	10.46	5.18	7.32
25th Percentile	2.35	7.77	3.39	5.43
Median	1.76	6.76	3.01	4.88
75th Percentile	1.01	3.84	1.87	4.14
90th Percentile	0.32	1.90	0.53	3.40
Absolute Return ●	2.01	7.77	2.40	3.84
Absolute Return Benchmark ▲	2.25	7.14	6.15	5.86

APFC Private Equity and Growth Opportunities Structure *(1Q LAG)*

As of September 30, 2017

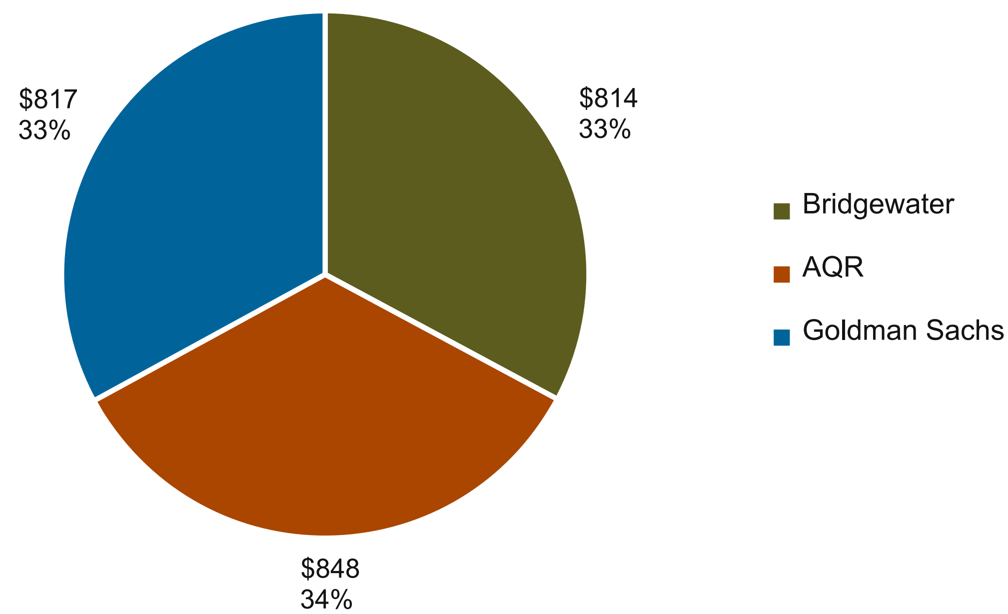
- 60% of the structure is invested in private equity.
- The legacy HarbourVest investments have been transferred to Pathway for oversight management.
- The Pathway portfolio also includes direct investments overseen by Pathway.
- 40% of the structure is invested in growth opportunities.



APFC Multi-Strategy Structure

As of September 30, 2017

- Roughly $2.5 billion distributed across three mandates.
- Equal weight target.
- Multi asset class portfolios, limited use of illiquid assets.
- Leverage is used to amplify the impact of asset classes and/or strategies.
- Generally has maintained higher fixed income exposure than APFC total fund.
- Medium-term improvement in performance, particularly from AQR, has enhanced value added since inception of the program



Multi-Asset Class Performance

Periods Ended September 30, 2017

	Returns for Periods Ended September 30, 2017				
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 1/2 Years
AQR	3.69	6.70	7.61	7.16	9.31
Bridgewater	2.39	8.57	4.61	4.74	9.50
Goldman Sachs	3.95	9.32	4.11	5.19	6.59
Multi-Asset Class Composite	**3.35**	**8.17**	**5.42**	**5.21**	**6.79**
TF Ret Objective (CPIU+5%)	1.96	7.23	6.22	6.30	6.70
Benchmark	3.54	11.65	6.55	7.84	7.67
Passive Index (60/20/10/10)	3.79	10.56	5.64	6.84	6.78
Total Fund	**4.15**	**12.84**	**7.91**	**8.78**	**8.32**

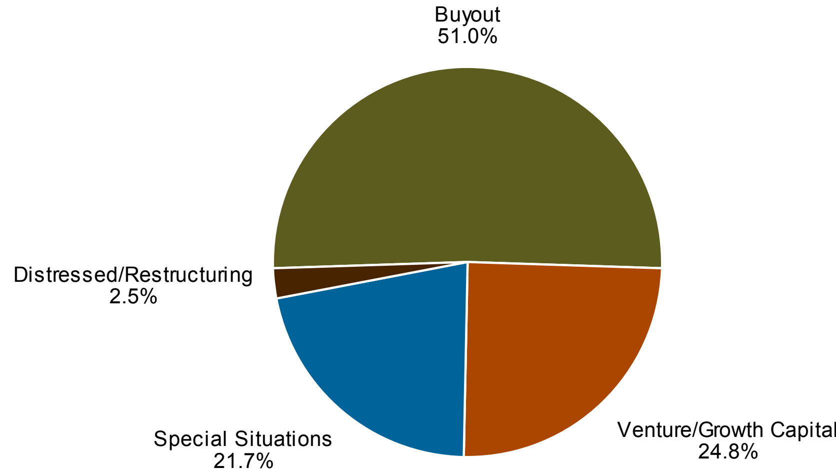
- With the exception of the last three and five year period, the multi-asset class portfolio has kept pace or added incremental value relative to a 5% real target. However, the composite trails the Total Fund and the Performance Benchmark over all time periods, and effectively matches the passive benchmark since inception.
- Recent improvement in performance has dramatically strengthened long-term returns for the program, however the multi-asset class program still trails the total fund since inception. Since Inception, Bridgewater has contributed the most, followed by AQR, with Goldman contributing the least. However, Goldman has perofrmed well over the last twelve months.
- Long-term underperformance relative to the total fund is explained by a number of factors, but primarily can be attributed to a low exposure to US Equity, an overweight to emerging markets, and levered exposure to fixed income. Additionally, the Multi-Asset Class Composite includes terminated managers PIMCO and GMO.

Private Equity Portfolio Positioning

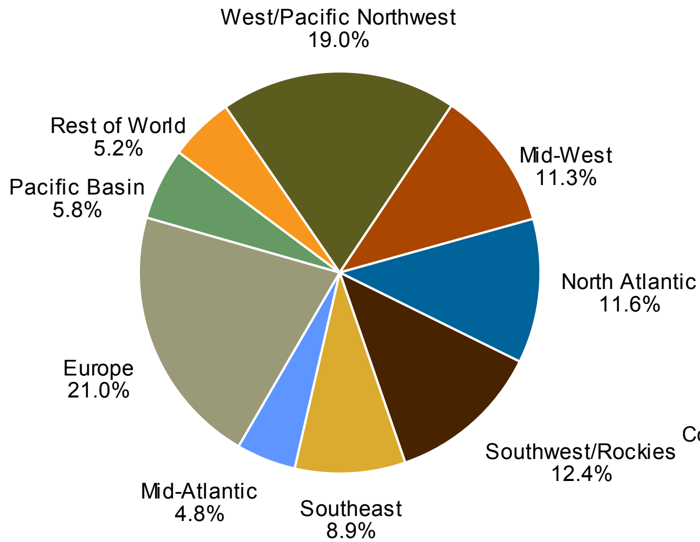
As of June 30, 2017

- APFC's Total Private Equity Portfolio is well-diversified by strategy, geography, and industry.
- All key strategy sectors are included: venture capital, buyout, special situations and distressed debt. Buyouts remain the largest allocation.
- The largest non-U.S. sector exposure is developed Europe.
- The largest industry sector is the software/ internet allocation.

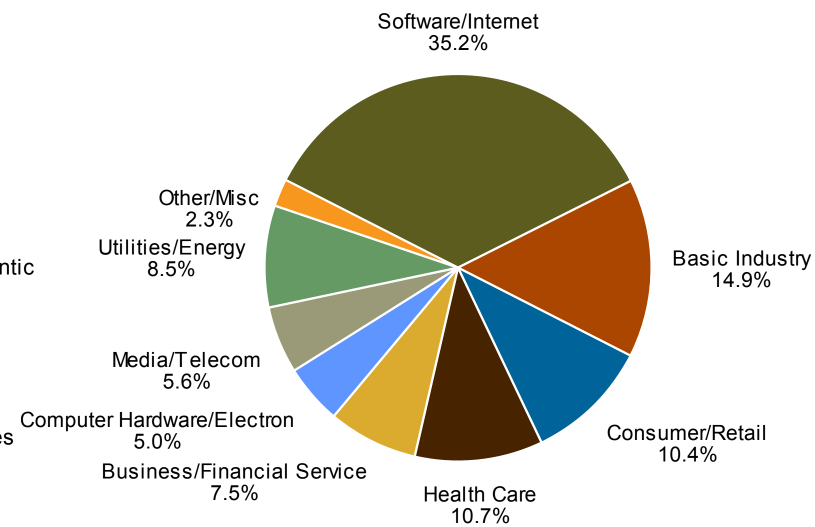
Portfolio Diversification by NAV



Geographic Diversification by NAV



Industry Diversification by NAV



Closing Remarks

- Total Fund ended the third quarter of 2017 with $61.9 billion in assets, gaining 4% for the quarter. For the last 12 months, the Fund has risen 12.8%. This trailing year performance puts the Total Fund in the third quartile relative to other large public funds and just above median versus other large endowments/foundations.
- Total Fund beat all three performance targets for the quarter and the last twelve months. The same is true for the trailing 3- and 5-years periods.
- Over longer periods, the total Fund trails only the 5% real objective.
- Strong recent performance has helped the Fund perform well relative to most large public funds and endowments. Longer-term performance has not fared as well versus peers, largely due to a comparatively high allocation to non-US equity, emerging markets, and fixed income – this effect, particularly versus endowments, has improved.
- The Public Equity portfolio outperformed during the quarter. Within Domestic Equities, the growth tilt benefitted performance, as did a small capitalization bias. Within International Equities, an overweight to the rallying emerging markets helped returns, as did an underweight to the Asia/Pacific region. Intermediate- and longer-term performance of the equity portfolio closely tracks the index.
- The Fixed Income Plus portfolio also outperformed its respective benchmark. Emerging Market Debt helped buoy returns, but was offset by the bottom two performers, TIPS and Non-US Fixed Income.
- The alternatives portfolios' performance was beneficial in two of the five allocations. Private Equity & Growth Opportunities (+7.7%) and Infrastructure, Private Credit & Income Opportunities (+5.5%) added the most value to overall performance. Absolute Return (+2.0%) slightly trailed its benchmark, while Real Estate (-0.5% gross) and Asset Allocation (+2.0%) fell behind.
- The Total Fund return for the 3rd quarter was strong and provided solid gains. Prudent asset allocation with appropriate levels of diversification and a long-term perspective remain Callan's recommended course.

Asset Class Updates Memo: Private Income and Absolute Return

APFC ALASKA PERMANENT FUND CORPORATION
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SUBJECT:	APFC Private Income & Hedge Funds Asset Class Update	ACTION:	____________
DATE:	December 12, 2017	INFORMATION:	X

BACKGROUND:

The Private Income and Hedge Funds presentation provides a portfolio update and investment performance analysis.

STATUS:

At this meeting staff will present some of the key elements of the Private Income and Hedge Funds portfolio including, as context, overall market performance and outlook. Staff will also compare performance of and provide updates on portfolio components. All Policy guidelines are identified in the Investment Policy Manual and Strategic Plan.

a) Presentation: Fixed Income Private Income and Absolute Return

APFC ALASKA PERMANENT FUND CORPORATION

Private Income, Special Opportunities and Absolute Return

December 12, 2017

Summary Performance

Time Weighted Returns & Exposures as a % of Total Fund (per Callan)

($ in millions)	NAV @ 9/30/17	% of APFC	Fiscal Year To Date APFC	Fiscal Year To Date Benchmark	3 Year Returns APFC	3 Year Returns Benchmark	5 Year Returns APFC	5 Year Returns Benchmark	
Private Income									
Infra/Real Assets	$2,016	3.3%	6.83%	4.30%	17.02%	5.55%	15.12%	10.67%	(1)
Private Credit	$1,132	1.8%	3.64%	2.17%	5.99%	4.50%	8.06%	6.90%	(2)
Special Opportunities	$171	0.3%	2.74%	3.45%	7.82%	5.20%			(3)
Total Private Income	**$3,320**	**5.4%**	**5.53%**	**3.53%**	**12.78%**	**5.17%**	**12.58%**	**9.31%**	(4)
Absolute Return									
Hedge Funds	$2,190	3.5%	2.01%	1.96%	2.40%	6.22%	3.84%	6.30%	(5)
Total	**$5,510**	**8.9%**							

(1) Benchmark reflects FTSE Infrastructure Index.
(2) Benchmark reflects BC US High Yield Index.
(3) Benchmark reflects 60% FTSE Infrastructure Index + 40% BC US High Yield Index.
(4) Total Private Income Composite Returns calculated by asset weighting the constituent returns.
(5) Benchmark reflects CPI + 500 bps.

Portfolio Highlights

Quarter Ended September 30, 2017

Infra/Real Assets

- Since Inception-IRR (net) at 9/30/17 of 9.9% (vs. 9.0% 12-months ago)
- Direct Investments top performing area at 15.1% Since Inception Net IRR
- Last 12 Months Capital Calls: $335 million / Last 12 Months Distributions: $237 million
- Recent Notable Investments: $18.6 million follow-on investment in Timber LLC; $100 million co-investment in Equis Energy

Private Credit

- Since Inception-IRR (net) at 9/30/17 of 7.5% (vs. 7.6% 12-months ago)
- The APFC Staff Portfolio performing well at 11.9% Since Inception Net IRR
- Last 12 Months Capital Calls: $137 million / Last 12 Months Distributions: $220 million
- Recent Notable Investments: $125 million in Audax Direct Lending Solutions

Special Opportunities

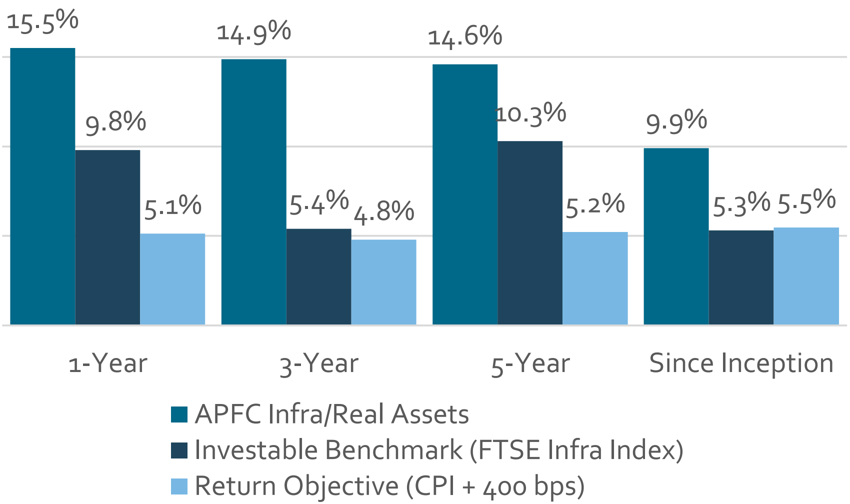
- Since Inception-IRR (net) at 9/30/17 of 10.7%, primarily attributable to American Homes for Rent II
- In September 2017, the APFC led a ~$200 million new equity investment in Generate Capital Inc.
  - Generate is a specialty finance company that invests in renewable-energy, energy-efficiency, waste, agriculture and water projects
  - The company is based in San Francisco and serves as the capital partner for project developers and technology manufacturers

Hedge Funds

- Team continuing to build out direct hedge fund portfolio (~$15 million of annual fee savings vis-à-vis historical FOF approach)
- Two new allocations in past quarter ($150 mm to Fixed Income RV Manager; $160 mm to Systematic Macro Manager)
- For first time in several years, Hedge Fund portfolio is performing in-line with expectations and delivering on the goal of returning in excess of CPI + 500 bps (2% FYTD 2018 return; FY 2017 8% return)
- New direct portfolio to-date has had a realized correlation to S&P 500 and HFRI of -0.40 and -0.09, respectively with 8.86% return and 2.88 Sharpe Ratio (please see analysis in Appendix)

Infrastructure & Other Real Assets

Horizon IRR's @ June 30 Marks



Since Inception Portfolio Performance

($ in millions)	Capital Committed	Capital Called	Capital Returned	Current Value	Net IRR	Multiple-of-Money
Pre-2012 Funds	$1,700	$1,564	$1,126	$1,239	9.3%	1.51x
2012 and Newer Funds	$1,433	549	119	497	9.7%	1.12x
Total Fund Investments	$3,133	$2,113	$1,245	$1,736	9.3%	1.41x
Direct Investments	$370	$210	$7	$257	15.1%	1.26x
Listed Infrastructure	$300	$300	$397	$0	10.6%	1.32x
Total - 9/30/17	**$3,803**	**$2,623**	**$1,649**	**$1,992**	**9.9%**	**1.39x**
12-Months Ago	*$3,317*	*$2,288*	*$1,015*	*$2,051*	*9.0%*	*1.34x*
Total (Excl. Citi Infra)	**$3,303**	**$2,178**	**$1,544**	**$1,734**	**14.7%**	**1.50x**

Note: Returns are as of June 30, 2017 NAVs as calculated by APFC Staff and Pathway Capital. APFC portfolio returns are calculated on a money-weighted (IRR) basis as opposed to Callan's returns which are reported on a time weighted basis.

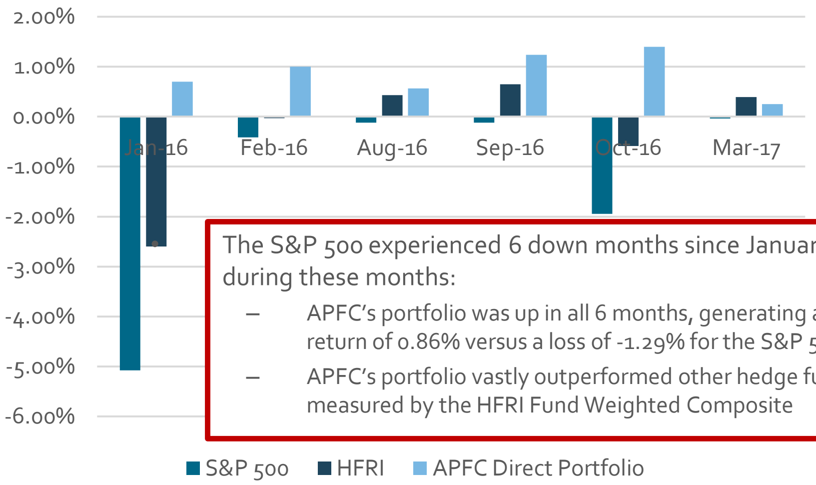
Hedge Funds

Portfolio Performance

($ in millions)	9/30/2017 NAV	Since Inception IRR	Q1 2018 Return
<u>Fund-of-Funds</u>			
Crestline	$384	3.7%	2.7%
Mariner	$221	2.5%	0.8%
Lazard	$17	3.2%	4.0%
Total - Fund-of-Funds	**$622**	**3.2%**	**2.0%**
<u>Direct Program</u>			
New Directs	$1,103	7.4%	2.2%
Legacy Directs	$398	0.5%	2.4%
Total - Direct Program	**$1,501**	**4.0%**	**2.3%**
Total - Overall	*$2,123*	*3.2%*	*2.2%*

Source: APFC Finance data and Investment Staff calculations.

APFC Performance vs. S&P 500 Down Months



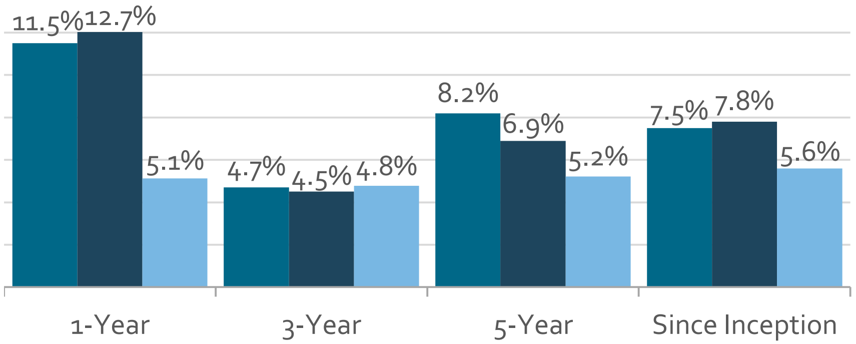
The S&P 500 experienced 6 down months since January 2016; during these months:

- APFC's portfolio was up in all 6 months, generating an average return of 0.86% versus a loss of -1.29% for the S&P 500
- APFC's portfolio vastly outperformed other hedge funds, as measured by the HFRI Fund Weighted Composite

Source: Bloomberg and Investment Staff calculations.

Private Credit

Horizon IRR's @ June 30 Marks



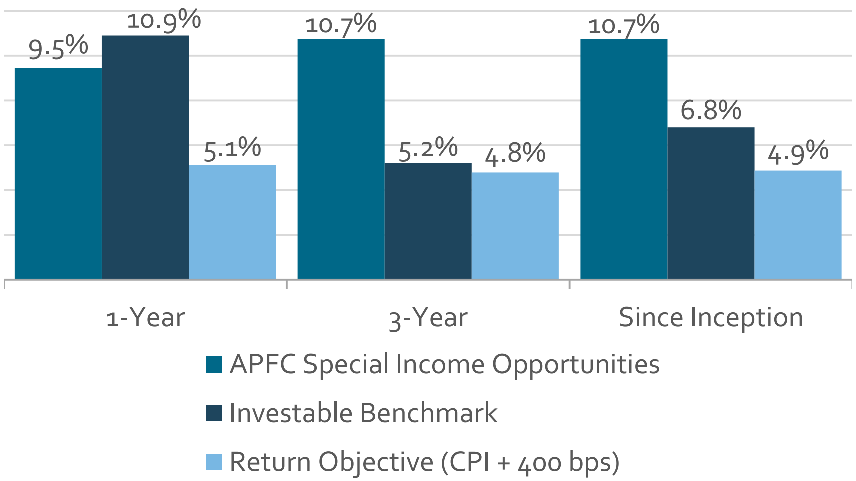
Note: Returns are as of June 30, 2017 NAVs as calculated by APFC Staff and Pathway Capital. APFC portfolio returns are calculated on a money-weighted (IRR) basis as opposed to Callan's returns which are reported on a time weighted basis.

Since Inception Portfolio Performance

($ in millions)	Capital Called	Capital Dist.	Current Value	Net IRR	Multiple-of-Money
Crestline AK Distressed Investments Fund	$429	$490	$0	6.5%	1.1x
Oak Tree VIII (Distressed Debt)	$250	$291	$65	8.9%	1.4x
Oak Tree III (Mezzanine Debt)	$229	$229	$63	9.3%	1.3x
Audax III (Mezzanine Debt)	$223	$157	$127	10.1%	1.3x
AK Credit Opportunities Fund	$716	$353	$673	6.6%	1.4x
Audax IV (Mezzanine Debt)	$6	$1	$5	NM	1.0x
Crestline AK Opportunistic	$112	$20	$104	12.3%	1.1x
APFC Staff Direct	$90	$3	$93	11.9%	1.1x
Clearlake Special Opportunities Fund	*$6*	*$0*	*$7*	*8.4%*	*1.1x*
Monroe Capital Private Credit Fund II	*$11*	*$1*	*$11*	*9.4%*	*1.1x*
Atalaya Asset Income Fund III	*$20*	*$1*	*$21*	*11.1%*	*1.0x*
H.I.G. Whitehorse Direct Lending Fund	*$13*	*$1*	*$13*	*13.0%*	*1.0x*
LBC Credit Partners	*$28*	*$0*	*$29*	*19.1%*	*1.1x*
TSSP Adjacent Opportunities Partners	*$12*	*$0*	*$13*	*8.4%*	*1.0x*
Audax Direct Lending Solutions Fund	*$0*	*$0*	*$0*	*NM*	*NM*
Total Private Credit	**$2,055**	**$1,544**	**$1,129**	**7.5%**	**1.3x**
12 months ago	*$1,939*	*$1,388*	*$1,073*	*7.6%*	*1.3x*

Special Opportunities

Horizon IRR's @ June 30 Marks



Since Inception Portfolio Performance

($ in millions)	Vintage Year	Capital Called	Capital Dist.	Current Value	Net IRR	MOIC
American Homes for Rent II	2013	$161	$30	$169	10.8%	1.2x
Athyrium Opportunities Fund III	2016	$2	$0	$2	NM	0.9x
Generate Capital	2017	-	-	-	-	-
Total Special Opportunities		**$164**	**$30**	**$171**	**10.7%**	**1.2x**
12 months ago		*$161*	*$26*	*$166*	*11.8%*	*1.2x*

Note: Investable Benchmark is 60% FTSE Developed Core Infrastructure and 40% Barclays U.S. High Yield. Returns are as of June 30, 2017 NAVs as calculated by APFC Staff and Pathway Capital. APFC portfolio returns are calculated on a money-weighted (IRR) basis as opposed to Callan's returns which are reported on a time weighted basis. Since inception period begins June 30, 2007


Appendices

Hedge Funds - Direct Mandate Update

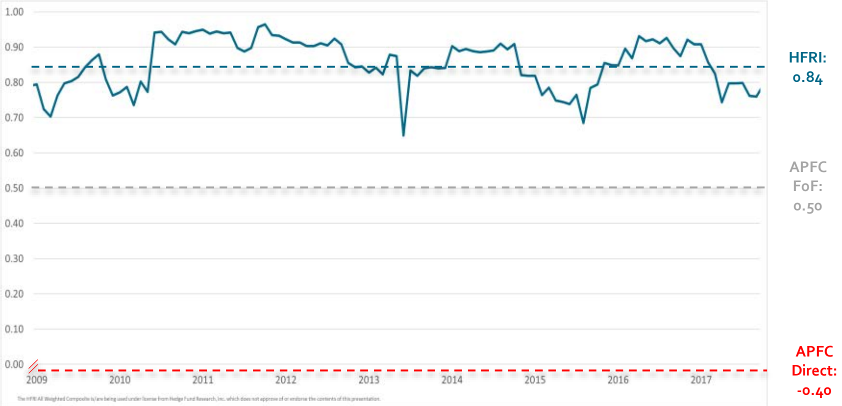
Correlation to Broader Markets

- Since the Global Financial Crisis, hedge funds as a whole have been highly correlated to, yet underperformed the S&P 500
  - The correlation of the HFRI weighted composite to the S&P 500 averaged 0.84 from January 2009 through September 2017
  - The S&P 500 returned 16.19% while hedge funds returned only 10.05% over the past 12 months(1)
- APFC's new direct portfolio is constructed specifically with non-correlation in mind

	Total Portfolio(2)	Fund-of-Fund Portfolio(3)	New Direct Portfolio(4)
Avg Return	6.95%	7.17%	8.86%
Corr to S&P	0.33	0.50	-0.40
Corr to HFRI	0.44	0.57	-0.09
Volatility	3.09%	3.01%	2.62%
Sharpe	1.87	1.99	2.88

(1) Source: Prequin
(2) Total portfolio includes all fund-of-fund and direct investments from January 2016 through September 2017, less any managers from whom APFC had issued full redemptions
(3) Fund-of-fund portfolio measured from January 2016 through September 2017
(4) New direct portfolio includes all direct investments measured from inception of APFC's new direct mandate, August 2016 through September 2017, less any managers from whom APFC had issued redemptions

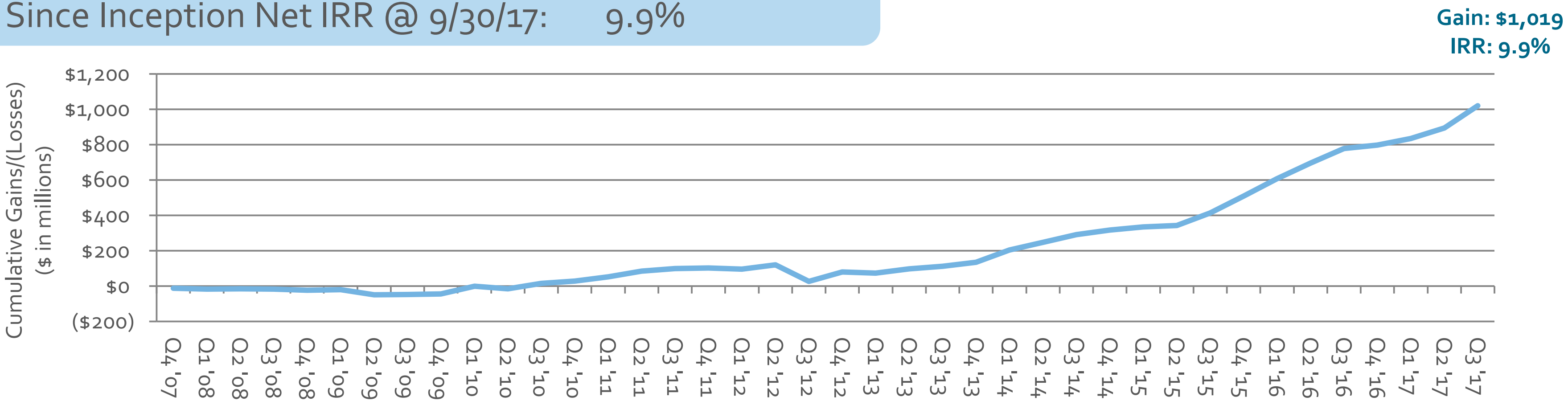
Hedge Fund Correlation to S&P 500



Source: Albourne, HFRI, and Investment Staff calculations.

Infrastructure/Other Real Assets Performance

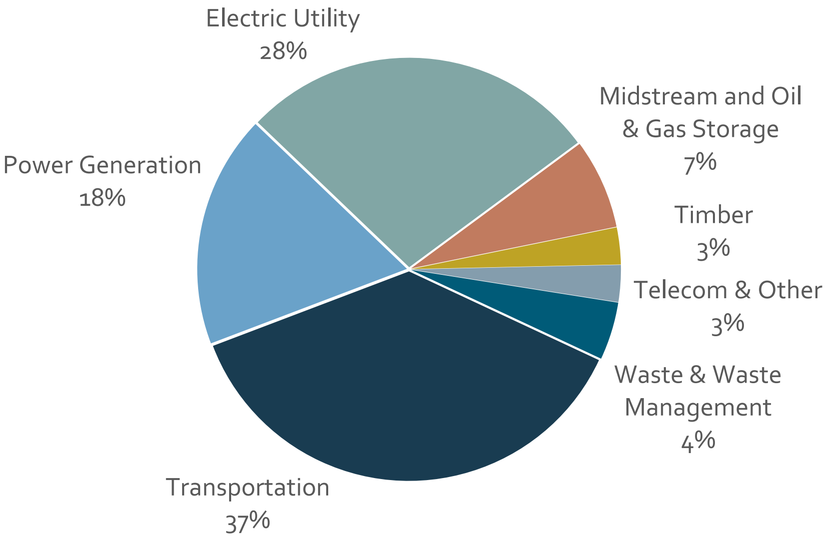
Cumulative Program Gains: $1.0 billion
Since Inception Net IRR @ 9/30/17: 9.9%



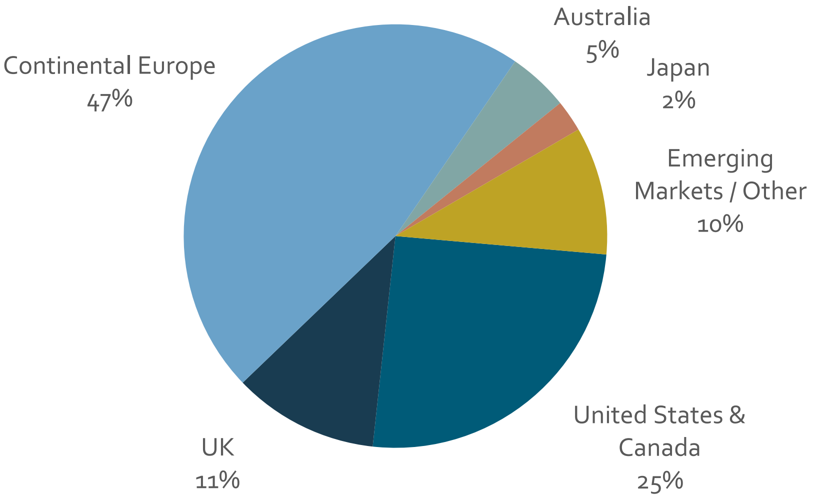
Since Inception Net IRR @ Calendar Year-End: 2.4% 3.7% 6.0% 7.3% 8.8%

Infrastructure Portfolio Positioning

Sector Mix

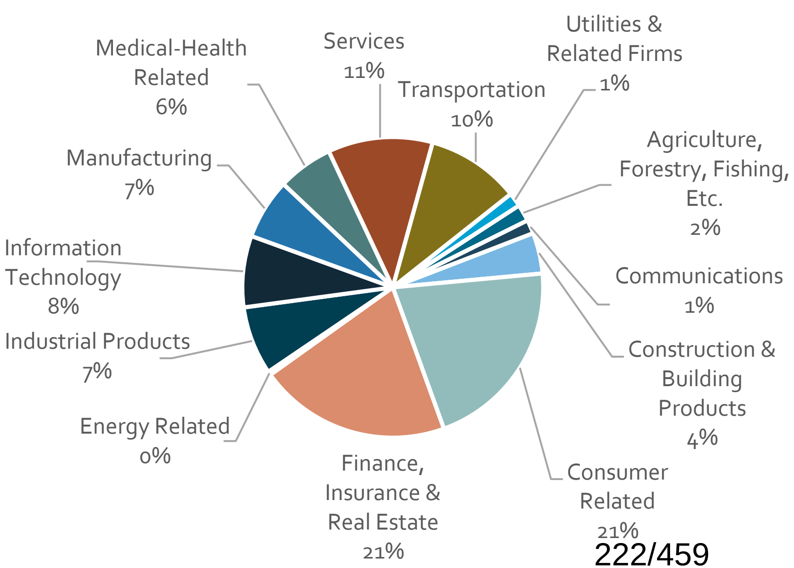


Geographic Mix

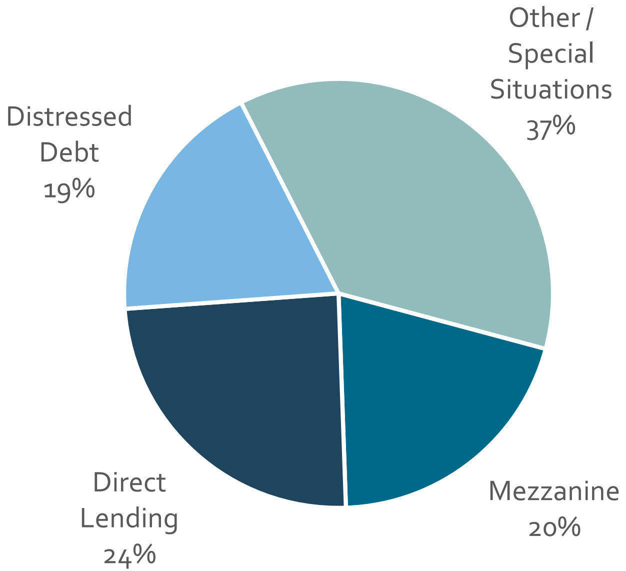


Private Credit Portfolio Positioning

Industry
as a % of Portfolio Company MV at June 30, 2017



Strategy
Market Value plus Unfunded Commitments



Asset Class Updates Memo: Private Equity & Special Growth Opp

APFC ALASKA PERMANENT FUND CORPORATION

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SUBJECT:	APFC Private Equity & Growth Opportunities Asset Class Update	ACTION:	___________
DATE:	December 12, 2017	INFORMATION:	X

BACKGROUND:

The Private Equity and Special Growth Opportunities presentation provides a portfolio update and investment performance analysis.

STATUS:

At this meeting staff will present some of the key elements of the Private Equity and Special Growth Opportunities portfolio including, as context, overall market performance and outlook. Staff will compare performance of portfolio components, including performance of staff investments versus gatekeeper investments and fund investments versus co-investments. All Policy guidelines are identified in the Investment Policy Manual and Strategic Plan.

a)Presentation: Private Equity & Special Growth Opportunities

APFC ALASKA PERMANENT FUND CORPORATION

Private Equity and Special Opportunities

Portfolio Update | Steve Moseley

Executive Summary

Portfolio continues to generate strong risk-adjusted returns, contributing $4.1 billion in cumulative net gains

Portfolio Summary

($mm, 30-Jun-17) Portfolio	Market Value	% APF	1-Year Net IRR	3-Year Net IRR	Since Inception Returns Net IRR	Since Inception Returns Net Gain
Private Equity	$4,319	7.2%	22.3%	14.7%	12.8%	$2,758
Special Opportunities	$2,830	4.7%	18.8%	33.8%	29.4%	$1,333
Combined Portfolio	**$7,148**	**11.9%**	**20.9%**	**19.9%**	**14.9%**	**$4,091**
Public Benchmark[1]			19.6%	6.6%	8.5%	$1,854
Excess Return			**1.4%**	**13.3%**	**6.4%**	**$2,237**
Memo: Excluding Juno						
Special Opportunities			35.1%	17.8%	15.7%	$622
Combined Portfolio			**26.3%**	**15.5%**	**13.2%**	**$3,380**

Program Summary

($mm, 30-Jun-17) Program	Commitments FY 2018[2]	Commitments Total	Inception Net IRR
Pathway + HarbourVest	$289	$6,417	12.5%
APFC PE	$177	$2,127	22.8%
APFC SpecOpps	$35	$3,708	29.4%
Combined Portfolio	**$501**	**$12,252**	**14.9%**

Tactical Summary

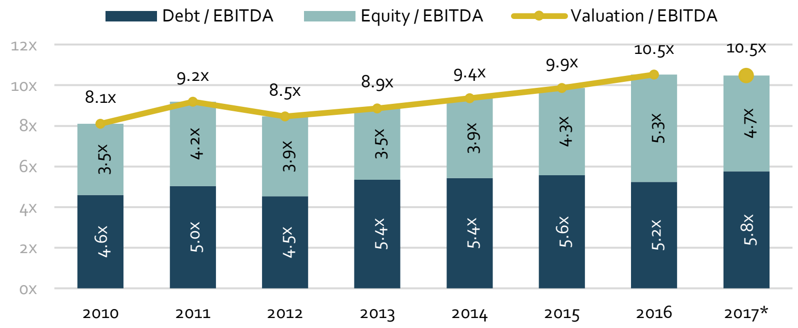
($mm, 30-Jun-17) Investment Activity	Investment Activity FY2018[2]	Investment Activity Total	Investment Activity Average	Since Inception Net Returns IRR	Since Inception Net Returns Multiple	Since Inception Net Returns Gain	Comments
Fund Commitments	$466	$11,301	$38	**12.2%**	1.4x	$2,911	• Private equity program launched in 2004
Direct/Co-invest	$35	$951	$50	**71.1%**	2.4x	$1,179	• Staff-led program, launched in 2014; minimal fees

Source: Pathway Capital Management and Burgiss as of 30-Jun-2017, unless otherwise specified.
Note: All dollars in millions. All returns net of management fees and carry. Returns may differ slightly from Callan due to timing and methodology.
(1) Public market equivalent benchmark assumes combined portfolio cash flows are invested in, or distributed from, a public index fund (60% Russell 3000/40% MSCI EAFE).
(2) Includes commitments through September 30, 2017.

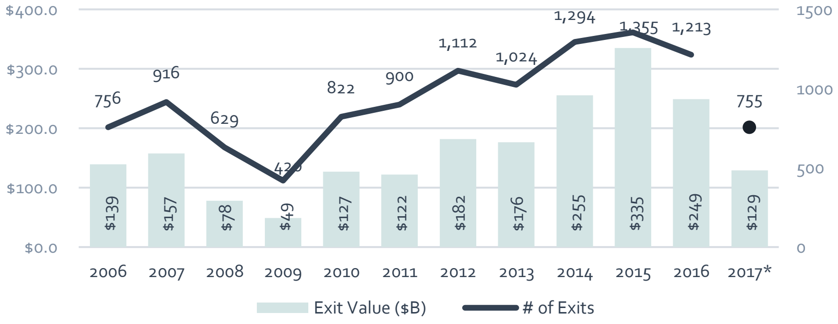
Private Equity Market Update

Purchase price multiples and fundraising velocity require caution

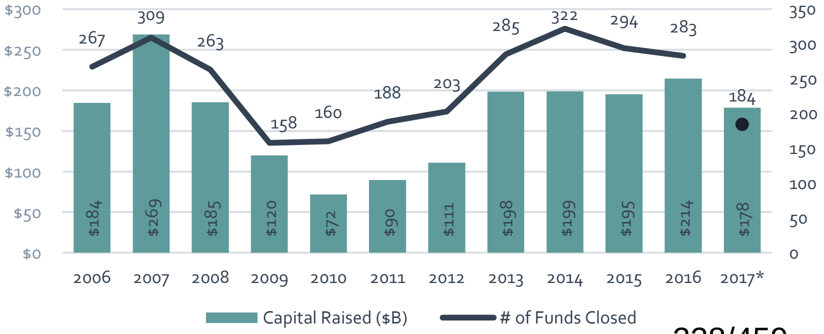
M&A multiples continues to maintain its recent highs…



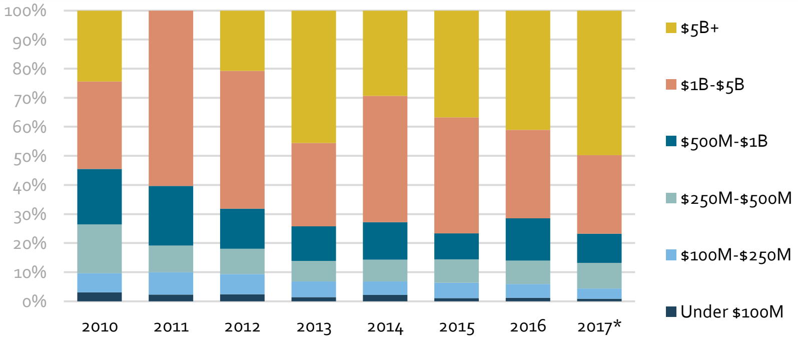
…although exit activity has decelerated in the first three quarters of 2017.



Fundraising was strong in the first three quarters of 2017…



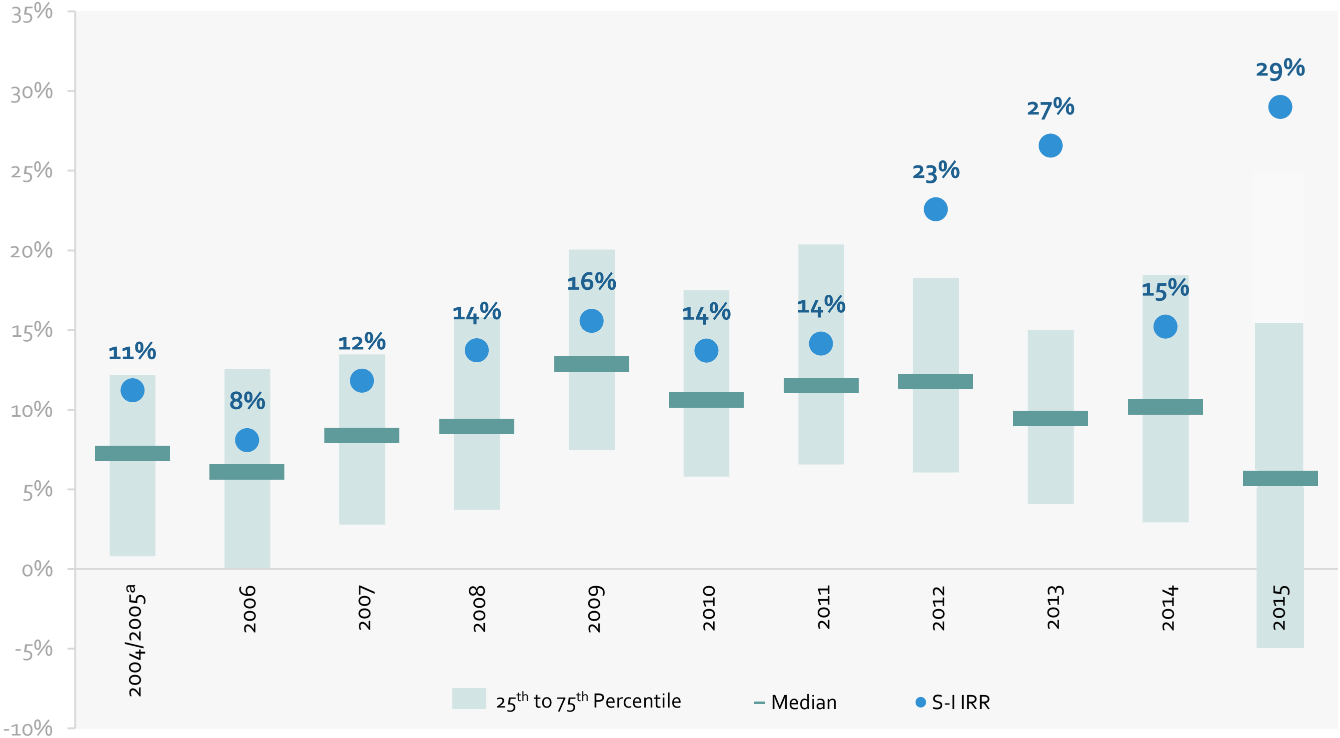
…with large cap PE firms raising a disproportionate share of the capital

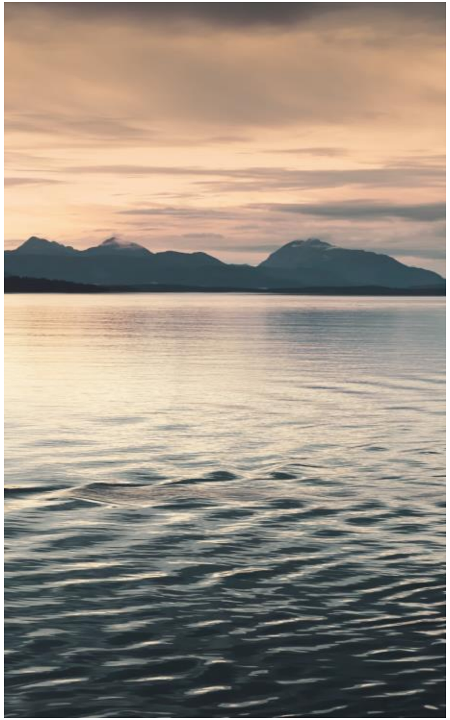


Source: Pitchbook as of Q3 2017.
* As of September 30, 2017.

Vintage Year Performance

APFC has outperformed the median private equity benchmark every year since inception

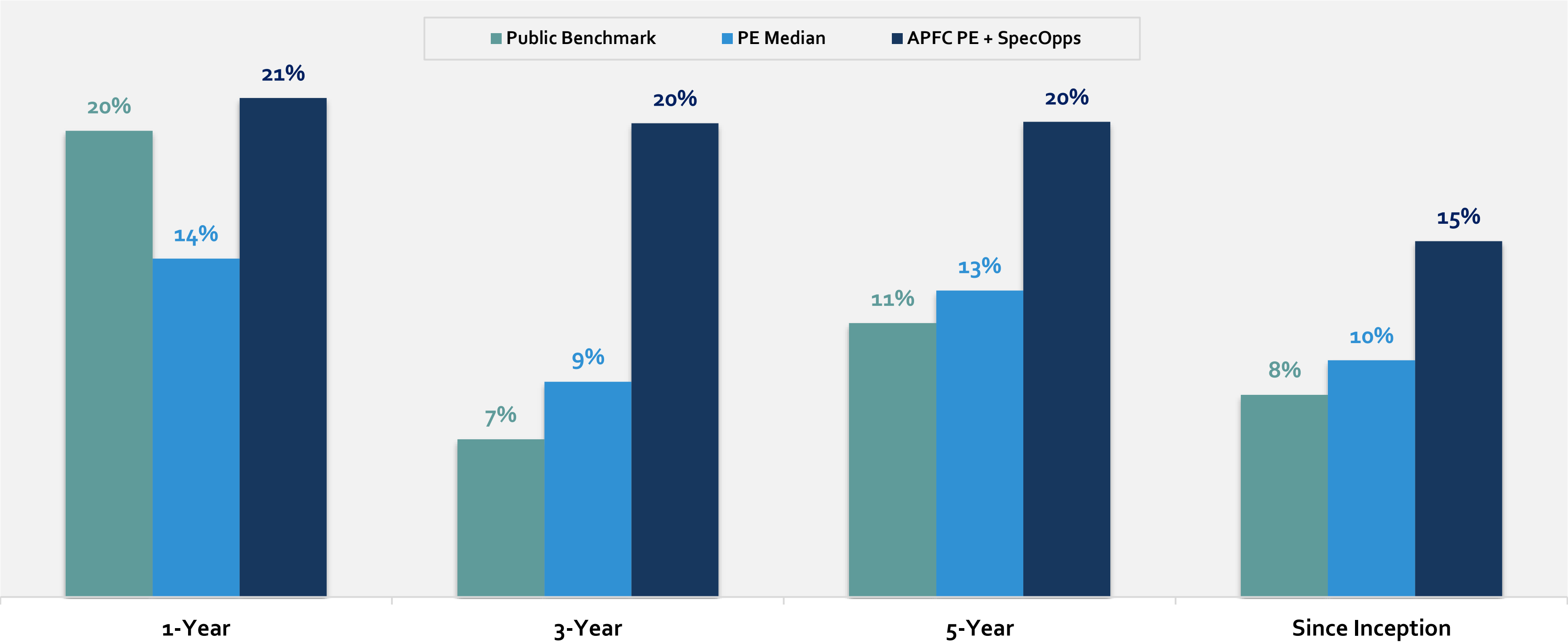




Source: Pathway Capital Management and Burgiss as of 30-Jun-2017.
Note: All returns net of management fees and carry. Returns may differ slightly from Callan's time-weighted returns due to reporting lag and methodology.
a) Represents weighted average benchmark, based on APFC fund commitments for each vintage year.

Portfolio Performance

PE and SpecOpps portfolios continue to outperform both public market and industry benchmarks

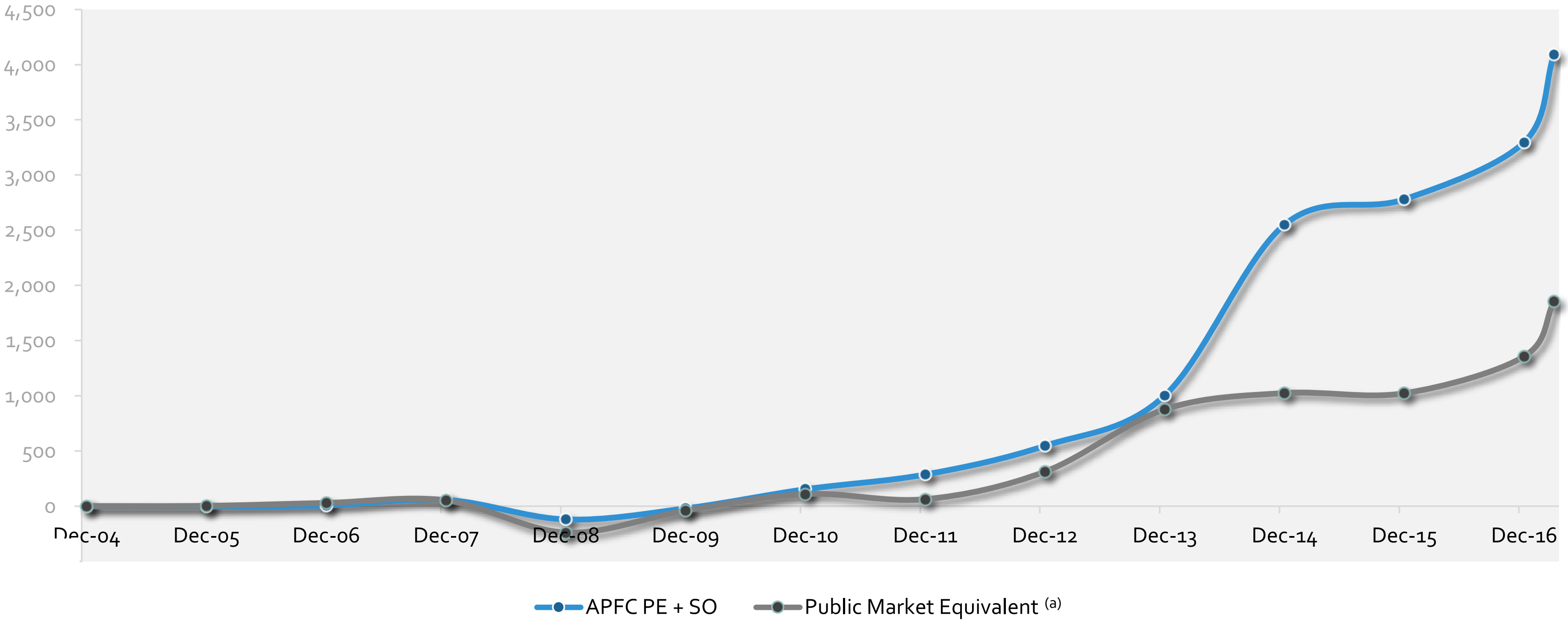


Source: Pathway Capital Management and Burgiss as of 30-Jun-2017.

Note: All returns net of management fees and carry. Returns may differ slightly from Callan due to timing and methodology.
Public market equivalent benchmark assumes combined portfolio cash flows are invested in, or distributed from, a public index fund (60% Russell 3000/40% MSCI EAFE).
PE Median represents the Burgiss Private iQ global all PE return benchmark for 2004- through 2017 vintages, as of June 30, 2017, produced using Burgiss data.

Private Equity Value-added

PE portfolio has outperformed public benchmark, generating an <u>incremental</u> $2.2 billion of gains to APF since inception



Sources: Pathway Capital Management and Burgiss as of 30-Jun-2017.
Note: All returns net of management fees and carry. Returns may differ slightly from Callan due to timing and methodology.
a) PME benchmark assumes all portfolio cash flows are invested in, or distributed from, a public index (60% Russell 3000/40% MSCI EAFE).

Activity Recap

Portfolio continues to achieve return and diversification objectives; only early evidence of progress on key strategic and operational initiatives

Portfolio Highlights

- **Risk**
  - Reduced targeted concentrations and harvested gains
  - In process to selectively monetize certain non-core assets
- **Return**
  - 1-yr, 3-yr, and 5-yr net returns of 21%, 20%, and 20%, respectively
  - Exceeded PE industry and public market equivalent benchmarks
  - Cum. incremental gain of $2.2 billion above public benchmark[1]
  - Direct and co-investments sourced by APFC staff have now generated 71% net returns since inception in 2014
- **Flows**
  - Committed $501 million to PE and SpecOpps investments
- **Organizational management**
  - Team size limits potential and increases cost
    - Smaller team → greater costs (and vice versa)

FY'18 Priorities

- **Manage HR and geographic constraints**
  - Sourcing and diligence more critical than ever before
  - Leverage consultants, advisors and other 3rd parties
- **Internationalize for diversification and growth**
  - Position APFC for long-term EM opportunity
- **Reinforce defensive posture**
  - Consolidate preferred GP relationships
  - Favor contractual returns, asset coverage
- **Maintain agility**
  - Enhance portfolio monitoring and data analytics
  - Harvest gains, de-risk portfolio, maintain steady pacing
  - Seek counter-cyclical, uncorrelated strategies and assets
  - Deploy with conviction when markets turn

Source: Pathway Capital Management and Burgiss as of 30-Jun-2017, unless otherwise specified.
Note: All returns net of management fees and carry. Returns may differ slightly from Callan due to timing and methodology.
(1) PE Median represents the Burgiss Private iQ global all private equity return benchmark for 2004- through 2017- vintage funds, as of June 30, 2017, as produced using Burgiss data. Public market equivalent benchmark assumes combined portfolio cash flows are invested in, or distributed from, a public index fund (60% Russell 3000/40% MSCI EAFE).

Asset Class Updates Memo: Real Estate

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: APFC Real Estate Asset Class Update ACTION: ____

DATE: December 12, 2017 INFORMATION: X

BACKGROUND:

The Real Estate presentation provides information on the Real Estate Portfolio.

STATUS:

At this meeting staff will present some of the key elements of the Real Estate Portfolio including Investment and Target Allocation and Performance at the Advisor and Property Type Level. Actual portfolio development exposure and debt levels will also be compared to Policy Limits. All Policy guidelines are identified in the Investment Policy Manual and Real Estate Strategic Plan.

Staff will also provide an update on pending dispositions and acquisitions.

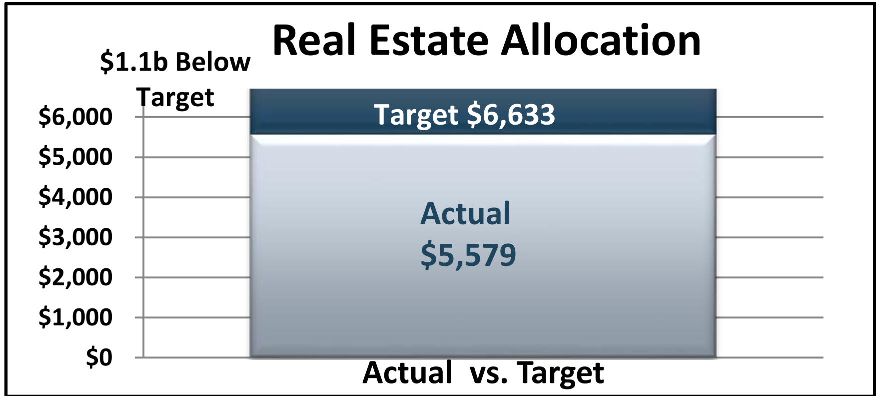
a) Presentation: Real Estate

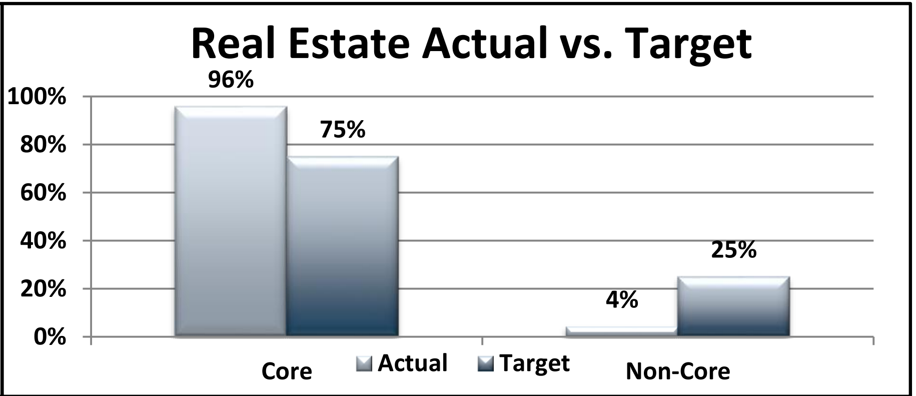
APFC ALASKA PERMANENT FUND CORPORATION

REAL ESTATE
BOARD of TRUSTEE PRESENTATION
December 12, 2017

Real Estate Invested vs. Target Allocation September 30, 2017

September 30, 2017	% Invested	Market Value ($mm)	% of Portfolio	2017 Tactical Plan Target
Core		$5,345	96%	75%
Non-Core		$234	4%	25%
Total Real Estate Portfolio	**9.3%**	**$5,579**	**100%**	**100%**
Real Estate Allocation	**11.0%**	**$6,633**		



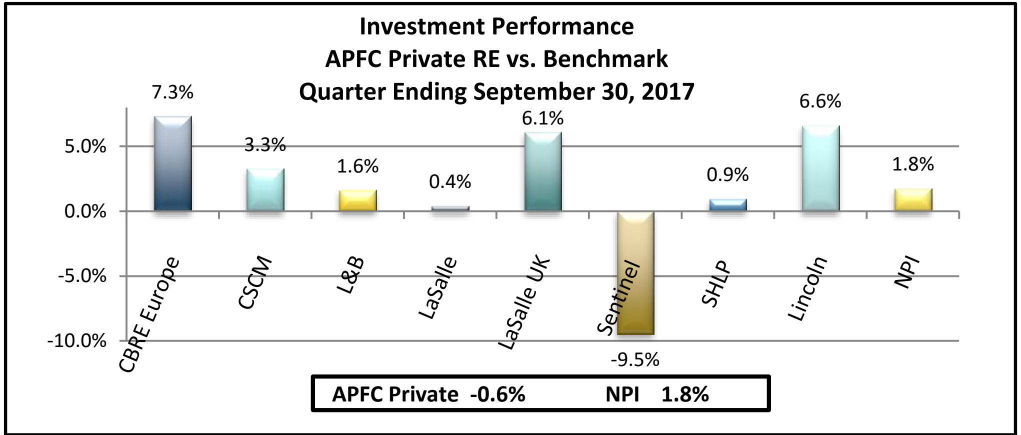


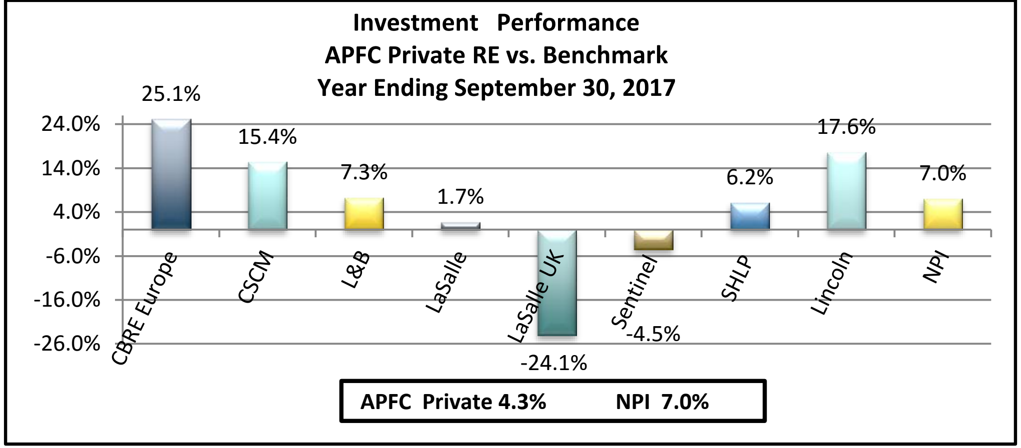
(Note: Real Estate values and returns are reported with a one quarter lag.)

Private Real Estate Portfolio

September 30, 2017			Performance	
Manager	Net Asset Value	% of Total	3Q	1 Year
CBRE Europe	$160	3%	7.3%	25.1%
CSCM	$415	7%	3.3%	15.4%
L&B	$2,149	39%	1.6%	7.3%
LaSalle	$6	0%	0.4%	1.7%
LaSalle UK	$227	4%	6.1%	-24.1%
Sentinel	$1,165	21%	-9.5%	-4.5%
SHLP	$1,379	25%	0.9%	6.2%
Lincoln	$78	1%	6.6%	17.6%
Total:	**$5,579**	**100%**	**-0.6%**	**4.3%**
NCREIF Property Index			***1.8%***	***7.0%***
Out/(Under) Performance			***-2.4%***	***-2.7%***
Total RE (includes REITS for partial year)				***4.5%***
APFC Target				***6.8%***

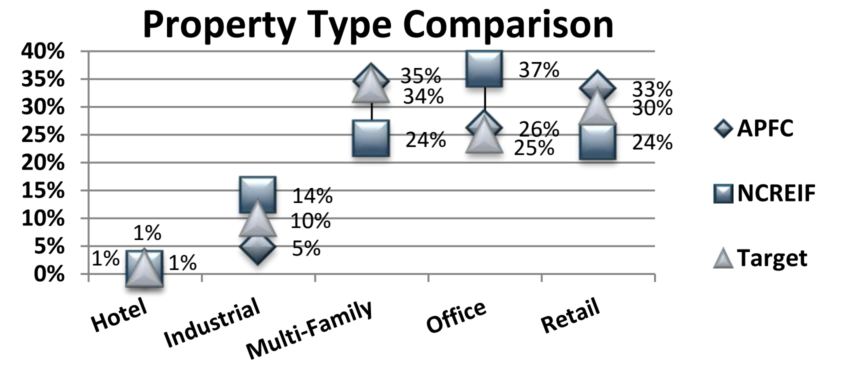
(Note: Real Estate values and returns are reported with a one quarter lag.)

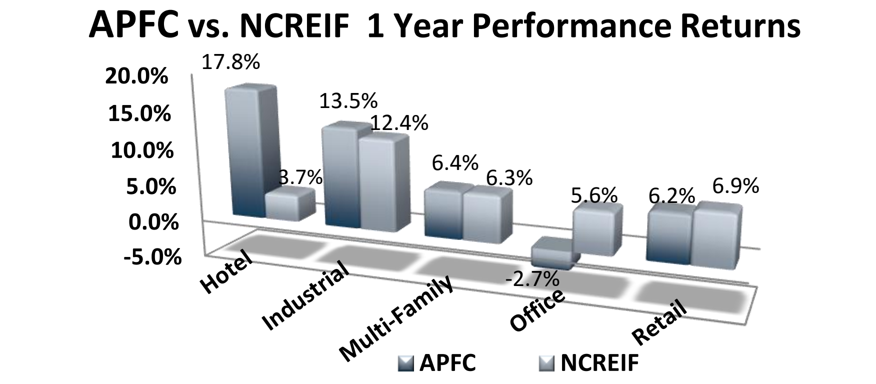




Portfolio Composition by Property Type

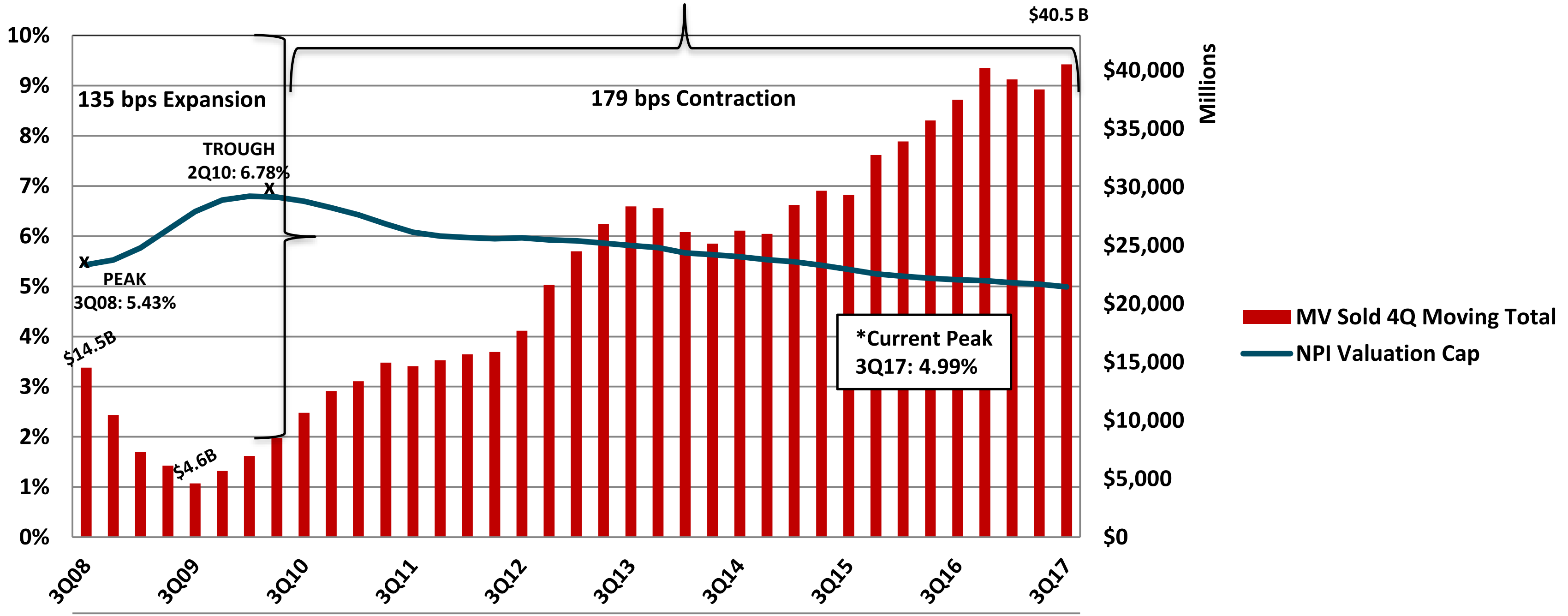
Property Type	No. of Props	Sept. 2017 Market Value ($mm)	% of Portfolio	NCREIF % of Portfolio Sept. 2017	2017 Tactical Plan Target	1 Year Performance		3 Year Performance	
						APFC	NCREIF	APFC	NCREIF
Hotel	1	$68	1%	1%	1%	17.8%	3.7%	NA	8.9%
Industrial	16	$268	5%	14%	10%	13.5%	12.4%	11.2%	13.5%
Multi-Family	9 *	$1,924	35%	24%	34%	6.4%	6.3%	11.6%	9.2%
Office	14	$1,460	26%	37%	25%	-2.7%	5.6%	4.4%	9.2%
Retail	16	$1,859	33%	24%	30%	6.2%	6.9%	10.1%	10.8%
Total:	**56**	**$5,579**	**100%**	**100%**	**100%**	**4.3%**	**7.0%**	**9.0%**	**10.2%**





* SHLP included in multi-family as one property (actual # Simpson properties 71)
(Note: Real Estate values and returns are reported with a one quarter lag.)

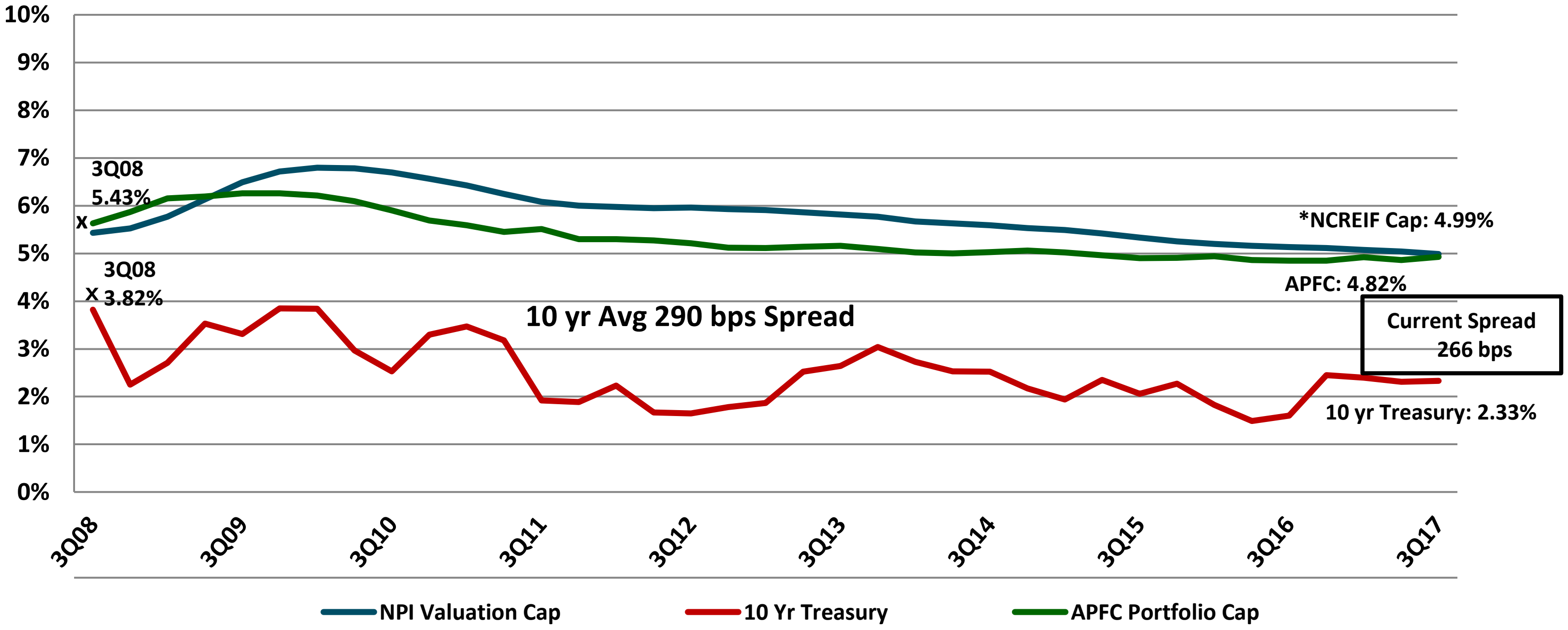
NCREIF – NPI
Transaction Volume vs Valuation Cap



Source: NCREIF
*Cap Rate Moving Average

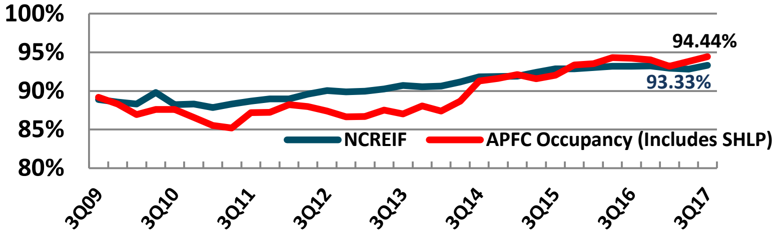
NCREIF – NPI
Valuation Cap vs 10-yr Treasury

Prior Peak Spread 161 bps



Source: NCREIF, 10-yr Treasury Rate Table
*Cap Rate Moving Average

APFC vs NCREIF NPI Occupancy by Quarter



MULTIFAMILY:

APFC: 93.79%	NCREIF: 93.53%

•National vacancy rate increased by 10 bps in the third quarter, to 4.5%. This is in line with expectations for the year given the large amount of new construction that has been coming online. Vacancy rates are expected to end the year closer to 4.6% - 4.8%. (REIS)
•Rent growth continues to slow due to the elevated deliveries with national rent growth declining 10 bps quarter over quarter to 2.4%. (JLL)

INDUSTRIAL:

APFC: 95.35%	NCREIF: 96.07%

•Industrial continues to have strong fundamentals, showing increased occupancy and strong NOI growth for the quarter. (REIS)
•Confidence in the Warehouse/Distribution sector has led to significant construction over the last year. Net absorption exceeded this new construction, increasing to 44.2MSF in the third quarter compared to 34.2MSF in the second quarter (REIS)
•Further inventory and occupancy growth is expected into 2018 as developers seek to capitalize on the growth in e-commerce and build space to accommodate the ever-evolving industry. (REIS)

RETAIL:

APFC: 93.10%	NCREIF: 93.08%

•While the Retail industry as a whole is healthy, benefiting from strong consumer confidence and positive economic fundamentals, Chapter 11 filings from Retailers continue. The number of store closure announcements has already surpassed those from 2008 – the worst year of the Great Recessions. (C&W)
•Estimates are for 10k retail store closures in 2017, more than double the 4k closures reported in 2016. The main factors attributing to this is the continued acceleration of eCommerce and the ongoing shift among American consumers towards value-oriented retail. (C&W)
•Bankruptcy announcements in the third quarter include Perfumania, Vitamin World, True Religion and Toys R Us.
•Heading into the 4th quarter, Retail should see traffic pick up as analysts are predicting a stronger holiday season this year with anticipated YOY sales growth between 3.8% and 4.2%. (C&W)

OFFICE:

APFC: 95.50%	NCREIF: 88.55%

•Vacancy remained unchanged during the quarter. (NKF)
•Development activity remains near its cyclical high at 101.4 MSF, but is slowly declining as the rate of completions surpasses that of groundbreakings. 46.5 MSF of new space has been delivered in 2017 and will reach 69.2 MSF by year end, followed by an additional 52.4 MSF in 2018 – with less than half of this space pre-leased. (JLL)
•Overall, US construction remains under control at 1.6% of standing inventory, however some markets may soon be challenged if demand falls below the pace of new supply and groundbreaking persists. (NKF)

Source: NCREIF, C&W, REIS, JLL, NKF

The Glades Shopping Centre, Bromley, UK

Current Initiatives in Process (Update)

- **Debt Manager Search**
  - Finalist identified, contract being finalized.
- **“Build-to-Core”**
  - Pursuing development of 3-4 existing parcels.
  - Engaged in discussions with a large, national RE development company.
  - Potential to expand relationship in the UK.
- **Industrial Opportunities**
  - Target portfolio or operating company acquisition.
  - Particular emphasis on “last mile” distribution.
- **Real Estate Consultant Search**
  - General Investment Consultant
  - Valuations/appraisals.
  - RE information systems oversight.
- **Other Markets**
  - Continue to expand outside U.S.

SAND LAKE WEST (Orlando, FL)
Phase VI Development

Sand Lake West:
Acquired November 1994
546,608 SF (Phases I – V)
3 undeveloped Parcels totaling 29.5 acres
Notable Tenants:

- The Golf Channel
- L-3 Communications
- Walt Disney Parks & Resort

Phase VI:
86,700 RSF
100% pre-leased (10 year lease)
Construction Start Date: May 2017
Completion Target Date: March 2018
% Complete: 37%
Approx. $19 million Investment

Debt Overview

Exposure Report Summary as of September 30, 2017

	Exposure				Disclosure Report		
	Equity Exposure		Tactical Limit	Over/ (Under)	Debt Disclosure	Total Investment Disclosure	
(Millions)	Actual $	Actual %	%	%	Outstanding Balance	Actual $	Actual %
Predevelopment	63	0.9%	*Set at Total Non-Core Level*		0	63	0.8%
Construction	10	0.1%			0	10	0.1%
Lease-Up	161	2.4%			167	328	4.0%
Redevelopment /Repositioning	0	0.0%			0	0	0.0%
Total Non Core Exposure	234	3.4%	25.0%	-21.6%	167	401	4.9%
Stabilized	5,345	80.6%	n/a	n/a	2,363	7,708	95.1%
Total	5,579				**2,530**	**8,109**	**100%**
Real Estate Allocation	**6,633**	**11%**					

% Leverage of Private Real Estate (Loan to Value) 31.2%

% Leverage of Real Estate Allocation (Loan to Value) 27.6%

Policy limit: 40%

Debt Maturities

	2017 (mm)	2018 (mm)	2019 (mm)	2020 (mm)	2021+ (mm)	Totals (mm)
Multi-Family	$123.7	$141.9	$274.4	$101.8	$335.1	$976.9
Retail	$0.0	$0.0	$20.8	$21.8	$962.0	$1,004.6
Office	$0.0	$0.0	$0.0	$0.0	$456.1	$456.1
Industrial	$0.0	$2.9	$6.5	$0.0	$83.2	$92.6
Total Debt:	**$123.7**	**$144.8**	**$301.7**	**$123.6**	**$1,836.4**	**$2,530.2**
% of Total Debt	4.9%	5.7%	11.9%	4.9%	72.6%	100%
Weighted Average Interest Rate	3.1%	2.5%	3.9%	3.3%	**4.1%**	**3.9%**

(Note: Real Estate values and returns are reported with a one quarter lag.)

Pipeline

Closings:

None to report this quarter.

Pending Transactions:

Dispositions:

Sale of Bent Tree, Centreville, VA: 684,456 sf/748 units Apartment expected close 1H 2018.
Sale of Churchill on the Park, Dallas, TX: 388,892 sf/448 units Apartment expected close 1Q 2018.
Sale of Northern Lights, Bloomington, MN: 195,770 sf Industrial expected close 4Q 2017.

Update

- Transaction volume reported by NCREIF totaled $11.8 billion in the third quarter 2017 with 193 properties sold, compared to $9.7 billion for 216 properties during the same quarter a year ago. (NCREIF)

- Occupancy for NCREIF-tracked properties held steady in the third quarter after rising to a 16-year high, at 93.3%. Industrial still has the highest occupancy rate, at 96.1%, which was up 20 bps over the quarter. Retail was the only other property type to experience gains in the third quarter with occupancy up by 50 bps to 93.1%.

- Industrial continues to lead property performance with total returns this quarter of 3.29%. Other NPI property types continue to trail industrial by a wide margin. (NCREIF)

- Global transactions of income-producing assets slowed for a seventh consecutive quarter in third quarter 2017. It is a mixed picture globally, with European activity increasing for the first time since 2015, Asia Pacific down for the first time this year and the Americas continuing to slow. (RCA)

- Cap rates continue to trend down for the most part with NCREIF reporting a 4.38% implied valuation cap rate in the third quarter, down marginally from 4.47% last quarter. All property types experienced modest cap rate compression over the quarter and range from 4.16% for apartment to 4.79% for industrial. (NCREIF)

Source: NCREIF, Real Capital Analytics (RCA)

17 Asset Class Updates Memo: Public Equities

APFC ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: APFC Public Equities Asset Class Update ACTION: ____

DATE: December 12, 2017 INFORMATION: __X___

BACKGROUND:

The Public Equities presentation provides information on the APFC Public Equities Portfolio.

STATUS:

At this meeting staff will present key elements of performance, positioning, initiatives, and expectations of APFC Public Equities Portfolio. This includes overview of the markets, manager selection, asset allocation, and internal management of equities.

a) Presentation: Public Equities

APFC ALASKA PERMANENT FUND CORPORATION

Public Equities

Portfolio Update

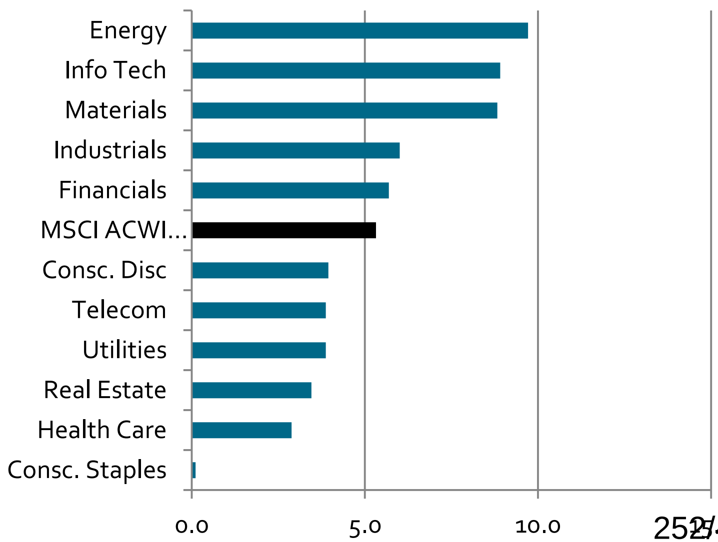
Fawad Razzaque

September 30, 2017

Public Equities – Performance

Public Equities	FY18 Q1 Ret. (%)
MSCI ACWI IMI	**5.32**
MSCI Emerging Markets	7.89
MSCI World ex US	5.62
Russell 3000	4.57

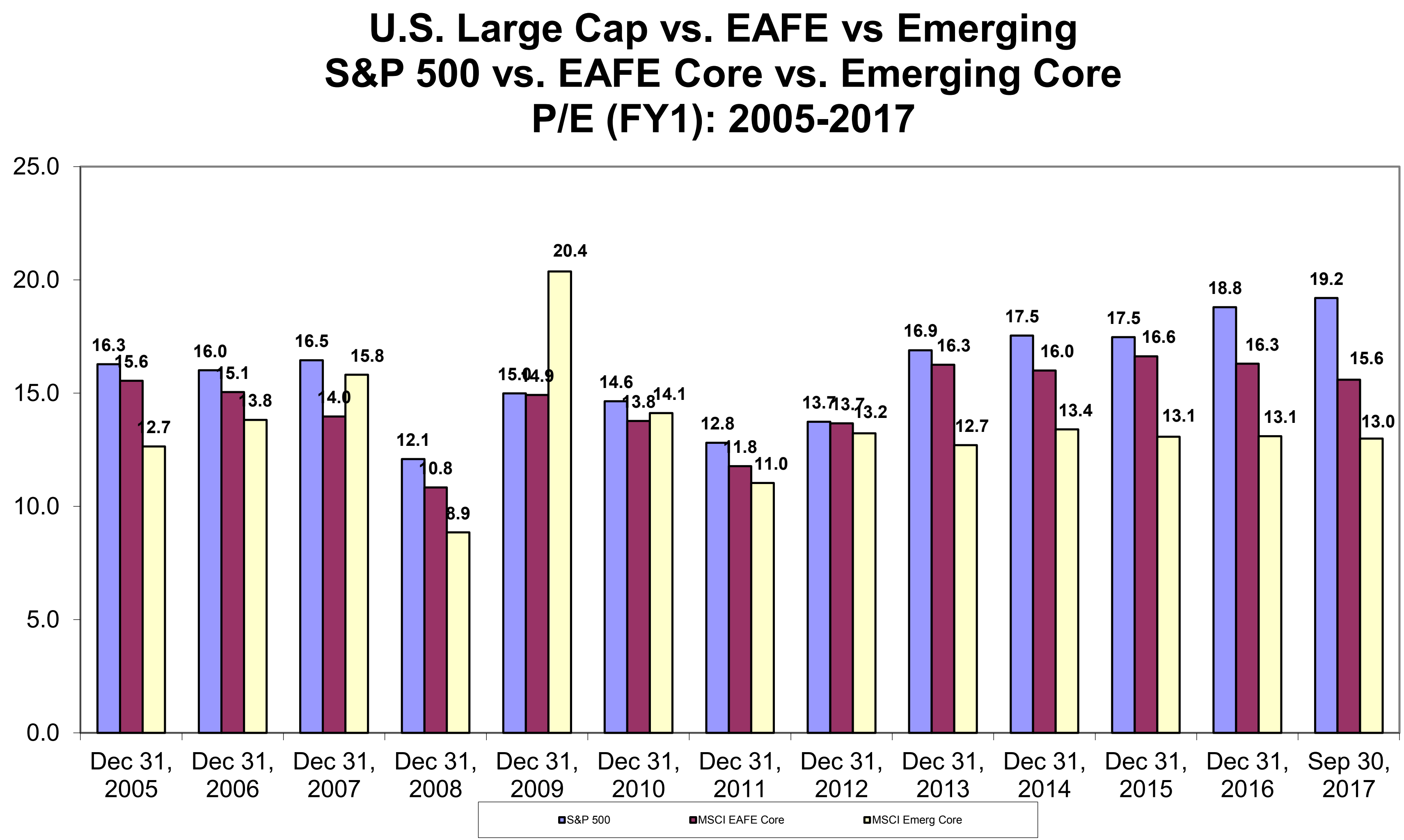
MSCI ACWI IMI Sector Returns



What Drove Equity Market Returns in the September quarter?

- **Global Economic Growth without Inflationary Pressures**
  - Continued positive trend in Global Macroeconomic Growth
  - Acceleration in Global Corporate Revenue and Earnings Growth
  - Weak US Dollar, low rates, and a benign inflationary environment
- **Relative Outperformance**
  - International Equities Outperformed US Equities
  - Cyclical sectors outperformed defensive sectors
  - Small Caps outperformed Large Caps

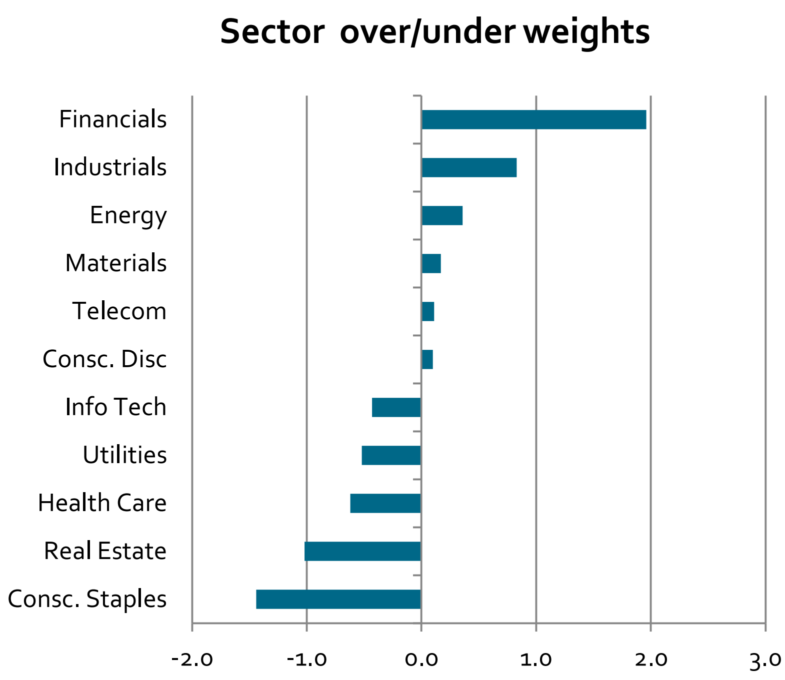
Public Equities – Valuation

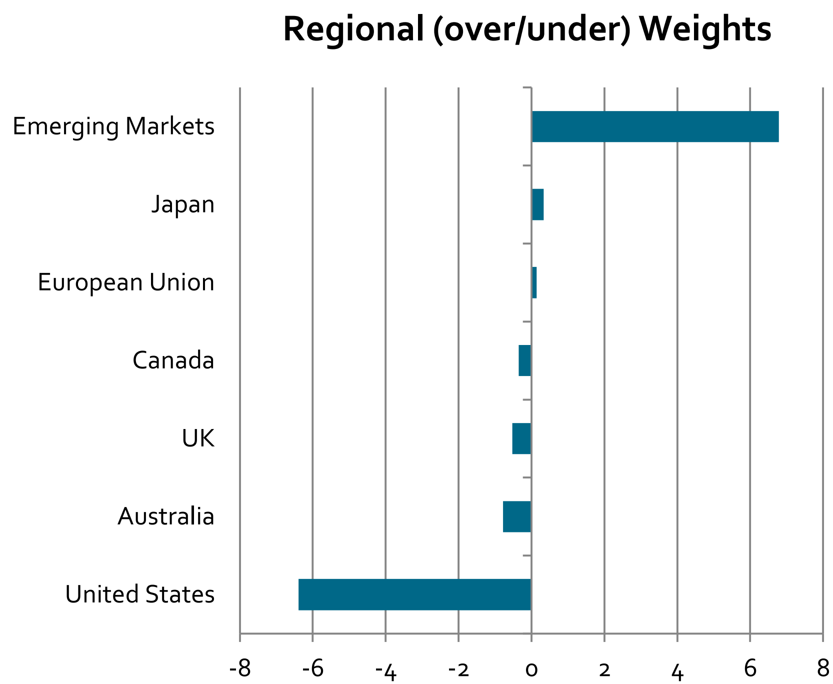


Public Equities - Allocation

June 30, 2017

APFC Public Equity Regions and Sectors





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Public Equities - Performance
September 30, 2017

APFC Public Equity	FY 18 Q1 (%)
Public Equities	**5.87**
MSCI ACWI IMI	*5.32*
Excess Returns (bps)	**+55**
Domestic Equities	**5.13**
Russell 3000 Index	*4.57*
Excess Ret.	***+56***
International Equities	**6.89**
MSCI ACWI IMI ex-US	*6.27*
Excess Ret.	**+62**
Global Equities	**5.37**
MSCI ACWI IMI	*5.32*
Excess Ret.	**+5**

What Drove Relative Returns in the September quarter?

- Fund Managers
- Emerging markets

Domestic Equities

- Strong performance from Active Managers
- Value tilt among large Caps detracted from returns
- Over Weight to Small Caps was beneficial

International Equities

- Strong performance from Active Managers
- Over Weight to Emerging Markets was beneficial
- Overweight to Info. Tech. was beneficial

Global Equities

- Strong performance from AQR and McKinley
- Lazard and Tactical Tilts were a drag
- Underweight to Emerging Markets detracted

Public Equities – Performance

APFC Allocation	FY 2017 (%)
Excess Returns (bps)	+55
Breakdown of Excess Returns (Approx.)	
Fund Manager (bps)	*+49*
Asset Allocation (bps)	*+17*
Regional (OW EM & UW US)	+
Style, Size, and Sector tilts	+
In-house Tactical Tilts (bps)	*-11*

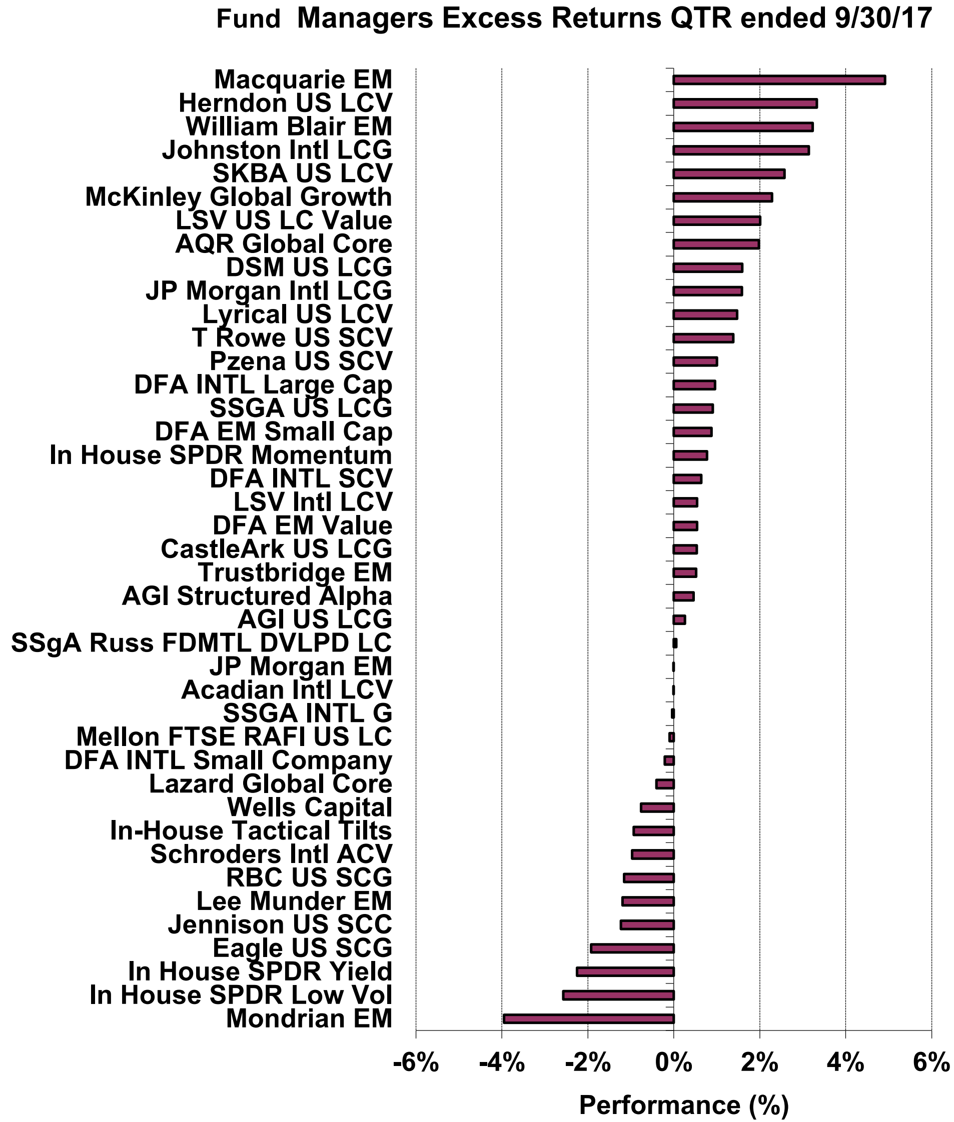
What Drove Relative Returns?

- **Fund Managers** **+49bps**
  - Success Rate: **61%**
  - Skew: Outperformers gained by **77** bps while Underperformers lost by **28** bps
- **Asset Allocation** **+17bps**
  - Key Contributors: Overweight Emerging Markets
    Underweight US Equities
    Overweight Cyclical sectors
- **Internal Equity** **- 11bps**
  - Key Contributors: Overweight Value Sectors, FX Hedged ETFs

Performance –

Fund Managers (FY 18 Q1)

Success Rate: 61% Outperformed



Performance – Positive Skew in Fund Manager Excess Returns (FY 18 Q1)

Fund Managers	Assets	Attribution
AQR Global Core	6.89%	0.12%
William Blair EM	2.51%	0.07%
McKinley Global Growth	3.40%	0.07%
Macquarie EM	1.27%	0.06%
SSGA Russ FDMTL DVLPD	6.18%	0.05%
LSV US LC Value	2.73%	0.05%
Johnston Intl LCG	1.61%	0.05%
Herndon US LCV	1.51%	0.05%
JP Morgan Intl LCG	2.52%	0.04%
Lyrical US LCV	2.50%	0.03%
DFA INTL Large Cap	3.68%	0.03%
SKBA US LCV	1.33%	0.03%
DSM US LCG	1.82%	0.03%
T Rowe US SCV	1.15%	0.01%
In House SPDR Mom	1.64%	0.01%
LSV Intl LCV	2.23%	0.01%
DFA EM Value	2.22%	0.01%
Pzena US SCV	1.18%	0.01%
DFA INTL SCV	1.70%	0.01%
AGI US LCG	3.24%	0.01%
CastleArk US LCG	1.42%	0.01%
DFA EM Small Cap	0.78%	0.01%
Trustbridge EM	0.59%	0.00%

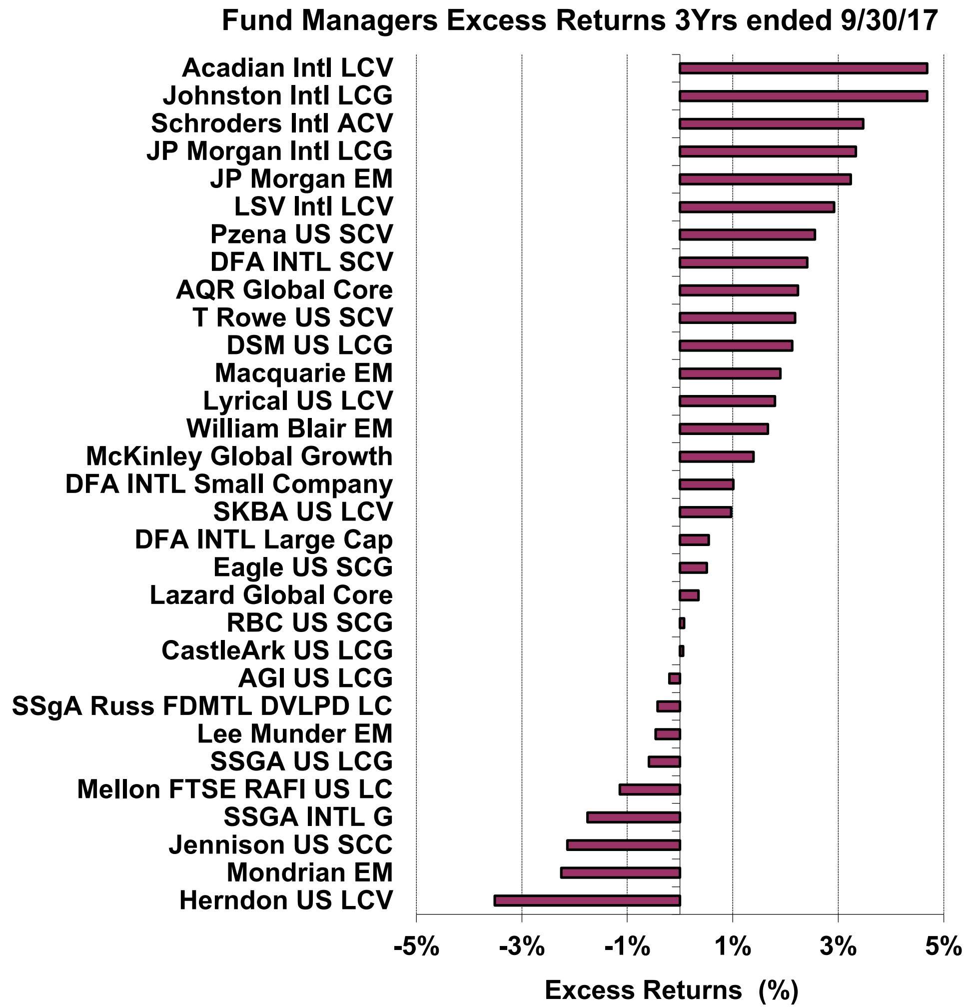
Fund Managers	Assets	Attribution
AGI Structured Alpha	0.56%	0.00%
SSGA US LCG	1.79%	0.00%
JP Morgan EM	2.08%	0.00%
Acadian Intl LCV	3.31%	0.00%
SSGA INTL G	1.08%	0.00%
Mellon FTSE RAFI US LC	1.34%	0.00%
Wells Capital	0.27%	0.00%
DFA INTL SC	1.67%	0.00%
Lee Munder EM	0.67%	-0.01%
RBC US SCG	1.08%	-0.01%
Jennison US SCC	1.14%	-0.01%
Eagle US SCG	1.13%	-0.02%
Schroders Intl ACV	2.41%	-0.02%
Lazard Global Core	8.59%	-0.03%
In House SPDR Yield	1.61%	-0.03%
In House SPDR Low Vol	1.62%	-0.04%
Mondrian EM	2.36%	-0.08%
Total		**0.49%**

FY 18 Q1 Performance – Global Equity Managers

Global Equity Managers	1 Year	3 Years	5 Years
Public Equities	**19.71**	**7.81**	**10.33**
MSCI ACWI IMI	**18.73**	**7.72**	**10.43**
Domestic Equities	19.38	10.92	14.62
Russell 3000	18.71	10.74	14.23
International Equities	21.47	5.97	7.17
MSCI ACWI ex-US	19.55	5.16	7.32
Global Equities	18.49	7.75	11.21
MSCI ACWI	18.73	7.72	10.43

Public Equities – Fund Managers (3 Years)

Fund Managers with 3 yrs of Fund history	Excess Returns (%)
Acadian Intl LCV	4.69%
Johnston Intl LCG	4.69%
Schroders Intl ACV	3.47%
JP Morgan Intl LCG	3.33%
JP Morgan EM	3.24%
LSV Intl LCV	2.92%
Pzena US SCV	2.56%
DFA INTL SCV	2.41%
AQR Global Core	2.24%
T Rowe US SCV	2.18%
DSM US LCG	2.13%
Macquarie EM	1.90%
Lyrical US LCV	1.80%
William Blair EM	1.66%
McKinley Global Growth	1.40%
DFA INTL Small Company	1.01%
SKBA US LCV	0.97%
DFA INTL Large Cap	0.54%
Eagle US SCG	0.51%
Lazard Global Core	0.35%
RBC US SCG	0.08%
CastleArk US LCG	0.06%
AGI US LCG	-0.20%
SSGA Russ FDMTL DVLPD LC	-0.43%
Lee Munder EM	-0.46%
SSGA US LCG	-0.59%
Mellon FTSE RAFI US LC	-1.14%
SSGA INTL G	-1.75%
Jennison US SCC	-2.14%
Mondrian EM	-2.25%
Herndon US LCV	-3.51%

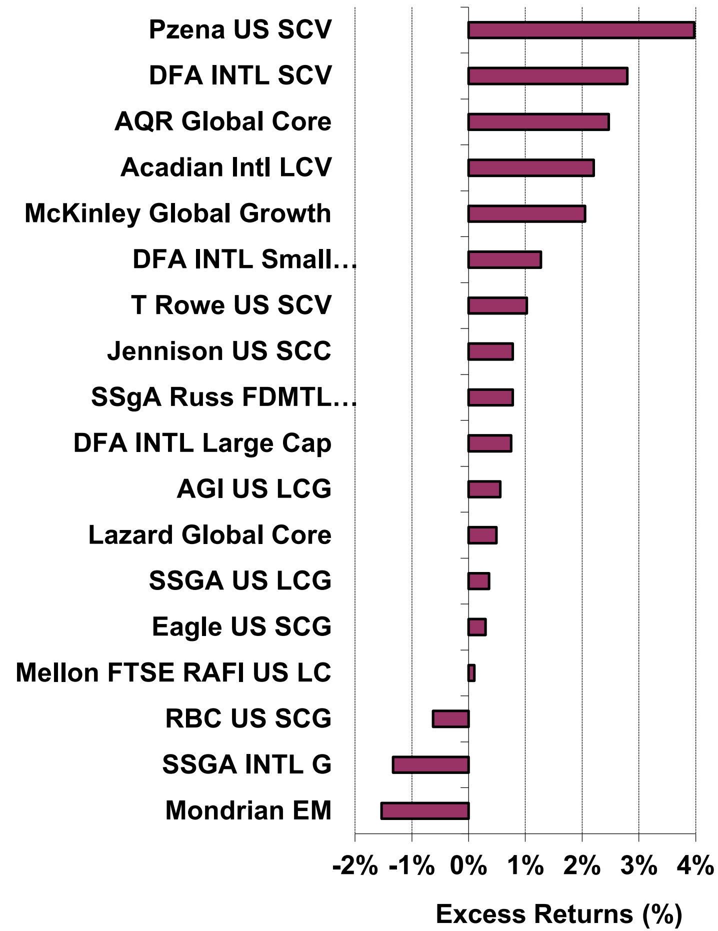


APFC Fund Managers: 70% Outperformed

Fund Manager Selection – Excess Returns (5 Years)

Fund Managers with 5 yrs of Fund history	Mgr Ret. (%)	Index (%)	+/- (%)
Pzena US SCV	17.24%	13.27%	3.97%
DFA INTL SCV	14.10%	11.31%	2.79%
AQR Global Core	13.46%	10.99%	2.47%
Acadian Intl LCV	8.23%	6.02%	2.20%
McKinley Global Growth	12.25%	10.20%	2.05%
DFA INTL Small Company	12.43%	11.16%	1.27%
T Rowe US SCV	14.29%	13.27%	1.03%
Jennison US SCC	14.57%	13.79%	0.78%
SSGA Russ FDMTL DVLPD LC	11.77%	10.99%	0.78%
DFA INTL Large Cap	8.56%	7.81%	0.75%
AGI US LCG	15.82%	15.26%	0.56%
Lazard Global Core	10.69%	10.20%	0.49%
SSGA US LCG	15.62%	15.26%	0.36%
Eagle US SCG	14.58%	14.28%	0.30%
Mellon FTSE RAFI US LC	14.37%	14.27%	0.10%
RBC US SCG	13.66%	14.28%	-0.63%
SSGA INTL G	6.86%	8.19%	-1.33%
Mondrian EM	2.45%	3.99%	-1.53%
Cap Group EM	*		
GMO Global Core	*		

Fund Managers Excess Returns 5-Yrs ended 9/30/17



APFC Fund Managers: 75% Outperformed

- *GMO and Capital Group were terminated in 2014 and 2015, respectively
- No Survivorship bias

FY 2017 Performance – Global Equity Managers

Global Equity Managers		Assets (mil)	FY 18 Q1 (%)	Benchmark (%)	Excess (bps)
AQR Global	(MSCI World)	$1,717	6.81	4.84	+287
McKinley Global	(MSCI ACWI)	$848	7.47	5.18	+229
SSGA Russell Fundamental	(MSCI World)	$1,540	5.75	4.84	+91
Lazard Global	(MSCI ACWI)	$2,140	4.78	5.18	-40
In-House Tactical Tilts	(MSCI ACWI IMI)	$3,282	4.38	5.32	-84

*$500 million added on Dec 23
*$600 million added on March 3rd
*$1.2 billion added on June 26-28th

In-House Tactical Tilt – Positions as of 09/30/2017

In-House Tactical Tilts (3,282 million)	Style	(%)
Vanguard S&P 500 (VOO)		26.5%
Vanguard FTSE Developed Markets (VEA)		11.3%
Vanguard FTSE Emerging Markets (VWO)		11.1%
US Health Care Select SPDR (XLV)	Growth	8.1%
Wisdom Tree Europe Hedged (HEDJ)		6.5%
US Energy Sector Select SPDR (XLE)	Value	6.4%
Ishares Russell 2000 Value (IWN)	Value	6.3%
Wisdom Tree Japan Hedged (DXJ)		6.2%
Ishares Russell 1000 Value Index (IWD)	Value	4.7%
Ishares MSCI Mexico		3.7%
Financial Select SPDR (XLF)	Value	3.2%
Ishares MSCI Europe Financial (EUFN)	Value	3.1%
Vanguard FTSE ALL WO x US Small Cap		3.1%
		100%

Allocation	%	+/-
US	55.2	+4.7
Non US DM	30.2	-6.4
EM	14.8	+2.2

Style:
Overweight Value
Underweight Growth

Sectors:
Overweight Financials
Overweight Energy
Overweight Health Care

Regions (Bar-Bell Structure):
Overweight US
Overweight Emerging Markets
Underweight non-US DM

Public Equities - Positioning

September 30, 2017

APFC Public Equity Allocation – No Change:

- Overweight to Emerging Markets and an underweight to US Equities (Valuation) – **Strategic/Tactical**

- Modest tilt in favor of Japan and Europe Equities, hedged for the respective currency risks - **Tactical**

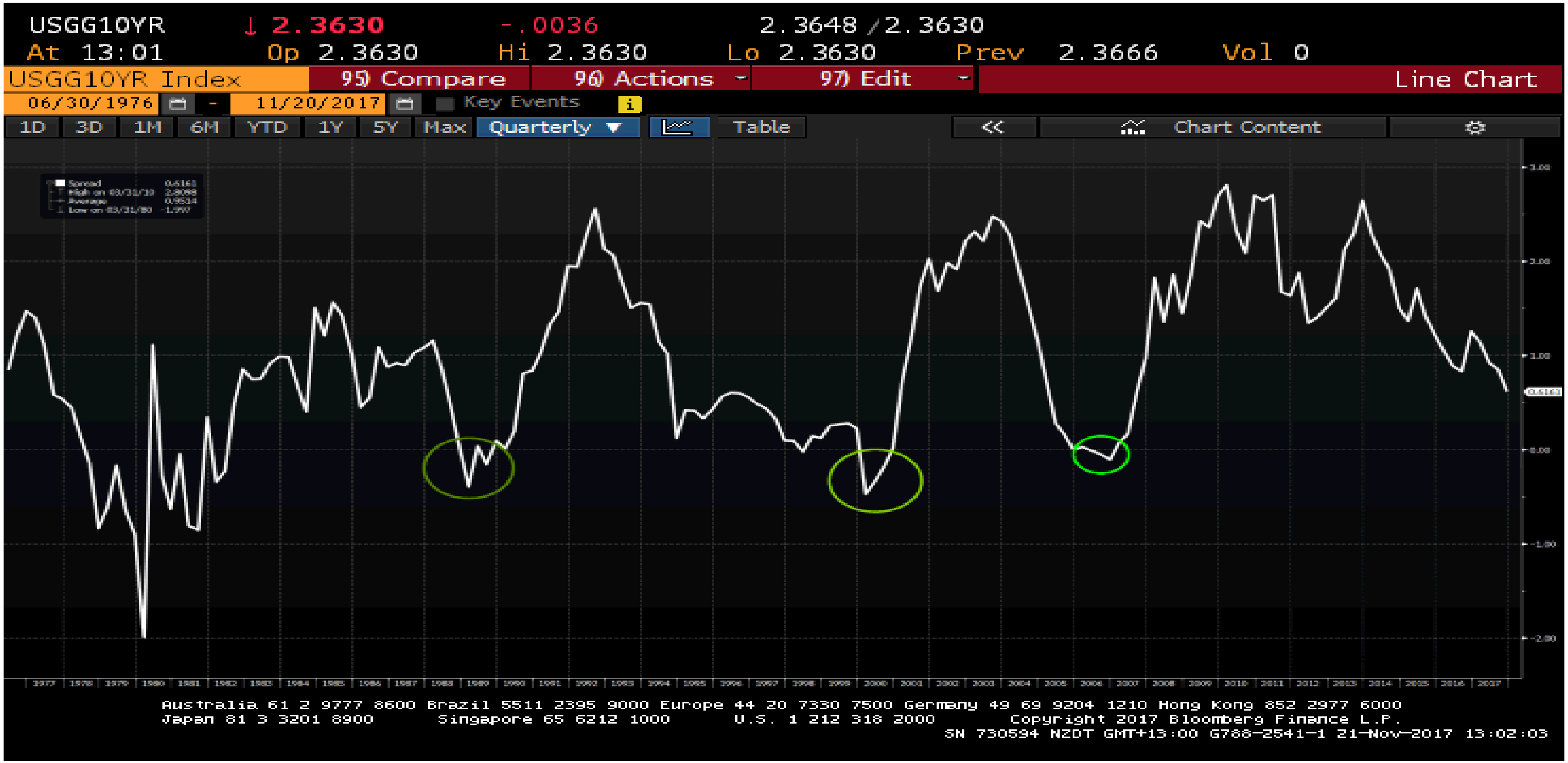
- Modest tilt towards Value and economically sensitive sectors – **Tactical**

Risks to Current Positioning (Listed in the order of Importance)

  - Peak in Corporate Earnings
  - Inverted Yield Curve
  - Sharp rise in US Dollar
  - Greater than expected slowdown in China Growth
  - Geopolitical Risks – North Korea/US China Relations

Public Equities – Key Macro Factors to Watch

Yield Spread between US 10 Yr and US 2 Yr - at the lowest point over the last decade



Public Equities – Key Macro Factors to Watch

US DOLLAR

Asset Class Updates Memo: Fixed Income

ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT:	APFC Fixed Income Asset Class Update	ACTION:	________
DATE:	December 12, 2017	INFORMATION:	X

BACKGROUND:

The Fixed Income presentation provides information on the Fixed Income + Portfolio

STATUS:

At this meeting staff will present some of the key elements of the Fixed Income Portfolio including performance and positioning. We will also cover the publicly traded mandates that are part of the Fixed Income + strategy.

a) Presentation: Fixed Income

APFC ALASKA PERMANENT FUND CORPORATION

APFC Internal Fixed Income Portfolio

December 12, 2017

Internal Fixed Income Performance

Barclays Aggregate Portfolio ($3,348mm)
- Neutral duration
- Overweight spread product and TIPS

Corporate Bond Portfolio ($3,333mm)
- Increase in credit quality while spreads tightened
- Overweight 10+ year Credit

TIPS Portfolio ($626mm)
- Neutral duration while focused on security selection
- Negative carry from concentrated Relative Value positions detracted from performance.

Global Government Bond Portfolio ($432mm)
- Underweight Japan vs Mexico, Scandinavia and the Pacific. Brought Eurozone close to neutral.
- Increased portfolio by additional 200 mio US$eq mid-quarter

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	0.91%	0.56%	2.87%	n/a
Index	0.85%	0.07%	2.71%	n/a
Portfolio	1.54%	2.77%	4.82%	4.09%
Index	1.34%	2.21%	4.10%	3.46%
Portfolio	0.81%	-0.67%	1.66%	0.06%
Index*	0.86%	-0.73%	1.62%	0.02%
Portfolio	0.72%	-1.08%	3.13%	n/a
Index	0.65%	-1.08%	3.50%	n/a

Performance as of 9/30/2017

*The internal TIPS portfolio is managed to the BC U.S. TIPS index while the external TIPS portfolio is managed to the BC US TIPS 1-10 year index because the portfolios have a different duration target.

Internal Aggregate Portfolio

Performance

	Latest Quarter	YTD	One Year	Three Year
Portfolio	0.91%	3.23%	0.56%	2.87%
Index	0.85%	3.14%	0.07%	2.71%

Quarterly Attribution

	Duration/ Curve	Asset Allocation	Security Selection	Other
Portfolio	-0.3%	0.05%	0.04%	0.0%

Predicted Tracking Error

Total Tracking Error	Curve	Sector Spread	Inflation	Other
29 bps	0%	75%	25%	0%

Index Comparison

	Portfolio	Index
Duration	5.8	5.8
Yield	2.5	2.5
Spread	47	38
Rating	Aa2	Aa2

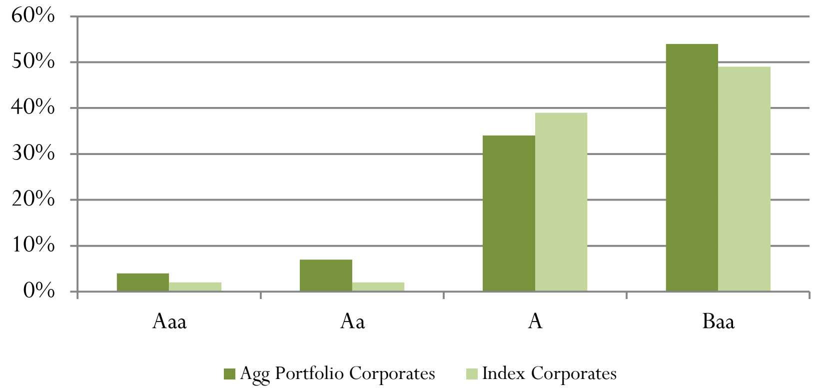
Composition

- $3.348 Billion
- Investment Grade Bonds
- Barclays' US Aggregate Index
- Duration based on interest rate forecast
- Internal Fixed Income Team's Best Ideas
- Primary PM: Jim Parise, Chris Cummins, Masha Skuratovskaya

Internal Fixed Income Aggregate Portfolio

Sector	MV ($mil)	% of Portfolio	% of Index
Total Portfolio	$3,348	100%	100%
Treasury	$969	28.9%	37.0%
Government-Related	$235	7.0%	7.0%
Corporate	$1,031	30.8%	25.6%
MBS	$842	25.2%	28.1%
ABS	$107	3.2%	0.5%
CMBS	$130	3.9%	1.8%
Cash	$35	1.0%	0.0%

Portfolio Credit Quality vs. Index



	Portfolio	Index	Over/Under Weight
Duration	5.8	5.8	+0.0

Internal Corporate Bonds

Performance

	Latest Quarter	YTD	One Year	Three Year	Five Year
Portfolio	1.54%	5.56%	2.77%	4.82%	4.09%
Index	1.34%	5.19%	2.21%	4.10%	3.46%

Quarterly Attribution

	Duration/ Curve	Asset Allocation	Security Selection	Other
Portfolio	0.02%	-0.05%	0.25%	-0.02%

Predicted Tracking Error

Total Tracking Error	Curve	Sector Spread	Idiosyncratic	Other
52 bps	2%	90%	8%	0%

Index Comparison

	Portfolio	Index
Duration	7.4	7.4
Yield	3.2	3.2
Spread	109	101
Rating	A3	A3

Composition

- $3.333 Billion
- Investment Grade Corporate Bonds
- 300+ positions with 200+ issuers
- Barclays' U.S. Corporate Bond Index
- Futures used to control curve and duration exposure
- Primary PM: Jim Parise

Performance as of 9/30/2017

Internal Tips Portfolio

Performance

	Latest Quarter	YTD	One Year	Three Year	Five Year
Portfolio	0.81%	1.80%	-0.67%	1.66%	0.06%
Index	0.86%	1.72%	-0.73%	1.62%	0.02%

Quarterly Attribution

	Duration/ Curve	Asset Allocation	Security Selection	Other
Portfolio	-0.01%	0.0%	-0.06%	0.02%

Predicted Tracking Error

Total Tracking Error	Curve	Sector Spread	Inflation	Other
12 bps	42%	0%	58%	0%

Index Comparison

	Portfolio	Index
Duration	7.7	7.7
Yield	2.1	2.1

Composition

- $626 Million
- US Treasury Inflation Protected Securities
- 14+ positions
- Barclays' U.S. TIPS Index
- Portfolio duration and curve position reflects views on rates and inflation valuation
- Primary PM: Masha Skuratovskaya

*The internal TIPS portfolio is managed to the BC U.S. TIPS index while the external TIPS portfolio is managed to the BC US TIPS 1-10 year index because the portfolios have a different duration target.

Internal Global Government Bonds

Performance

	Latest Quarter	YTD	One Year	Three Year
Portfolio	0.72%	1.43%	-1.08%	3.13%
Index	0.65%	1.01%	-1.08%	3.50%

Quarterly Attribution

	FX Hedging	Country Allocation	Duration / Curve	Asset Allocation	Security Selection
Portfolio	0.09%	0.10%	-0.08%	0.00%	-0.04%

Predicted Tracking Error

Total Tracking Error	Curve	Sector Spread	Idiosyncratic	Other
32 bps	83%	4%	6%	0%

Index Comparison

	Portfolio	Index
Duration	7.9	8.4
Yield	2.43	2.45
Rating	Aa3	A1

Composition

- $432 Million
- Investment Grade Sovereign and Agency bonds
- 60+ positions with 25+ issuers
- Barclays' Global Treasury Ex-U.S. Index Hedged
- Cross country allocation is driven by expectation for relative performance. Primary PM: Masha Skuratovskaya

Fixed Income + Allocation

	Fixed Income + Allocation (000's)				CYTD Excess Return Contribution		
	Benchmark		Portfolio		Sector Allocation	Within Sector Allocation	Total Excess Return
US Aggregate	25.00%	3,128,000	26.76%	3,348,000	0.04%	0.02%	0.06%
US Corporates	25.00%	3,128,000	26.65%	3,334,000	0.08%	0.11%	0.19%
High Yield	10.00%	1,251,000	9.97%	1,248,000	-0.04%	-0.07%	-0.11%
REITs	10.00%	1,251,000	10.05%	1,257,000	0.01%	0.10%	0.11%
Non-US Rates	10.00%	1,251,000	6.20%	776,000	0.02%	0.01%	0.03%
TIPS	5.00%	626,000	5.80%	726,000	0.00%	0.00%	0.00%
Emerging Market	5.00%	626,000	6.09%	762,000	0.05%	0.20%	0.25%
Listed Infrastructure	5.00%	626,000	4.80%	600,000	-0.01%	0.04%	0.03%
Total Cash	5.00%	626,000	3.68%	461,000	0.01%	0.02%	0.03%
Total	100.00%		100.00%		0.16%	0.43%	0.59%

External Fixed Income Manager Review

High Yield

Oaktree HY ($583mm)

- Performance trailed the benchmark due to oil and gas producer underweight and Healthcare overweight.

Capital Guardian HY ($399mm)

- Performance beat the benchmark due to commodity sector overweight and underweight to Food, Staples, Retail and Media.

Global/ Emerging Markets

Capital Guardian HY EM ($659mm)

- Tactically reduced FX exposure after a strengthening move
- Overweight India, Mexico, Brazil and Africa vs underweight in Eastern Europe and Southeast Asia

Allianz Global Investors (formerly Rogge Global Partners) ($343mm)

- Underweight Japan and UK vs Mexico, Canada and external EM debt
- Overall short duration bias

TIPS

Alaska Permanent Capital Mgmt. ($100mm)

- Initiate underweight in 10yr sector vs 5yrs
- Focused on relative value trading

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	1.76%	7.68%	4.75%	5.28%
Index	1.98%	8.87%	6.06%	6.77%
Portfolio	2.63%	9.51%	7.13%	7.35%
Index	2.11%	9.20%	6.05%	6.76%
Portfolio	3.80%	7.51%	3.57%	2.51%
Index	2.97%	5.75%	3.19%	1.73%
Portfolio	0.69%	-1.05%	3.42%	3.39%
Index	0.65%	-1.08%	3.50%	3.76%
Portfolio	0.70%	-0.40%	1.30%	0.04%
Index*	0.70%	-0.14%	1.26%	-0.02%

Performance as of 9/30/2017

*The internal TIPS portfolio is managed to the BC U.S. TIPS index while the external TIPS portfolio is managed to the BC US TIPS 1-10 year index because the portfolios have a different duration target.

External Fixed Income Manager Review

REITS

AEW Global REIT ($509mm)

- Portfolio allocation shifted marginally from North America towards Europe and Asia-Pacific

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	2.22%	1.36%	8.41%	8.89%
Index	1.12%	-1.04%	6.40%	7.11%

American Homes 4 Rent ($36mm)

- Publicly traded REIT back by single family home rental properties

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	-3.59%	-4.53%	7.96%	9.32%
Index	1.12%	-1.04%	6.40%	7.11%

SSGA Global REITS ($711mm)

- Passive REIT portfolio

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	1.37%	n/a	n/a	n/a
Index	1.12%	n/a	n/a	n/a

External Fixed Income Manager Review

Listed Infrastructure

Lazard Listed Infrastructure ($191mm)

- Performance was driven by European toll roads (Italy, France, Spain) and USA commercial railway companies; utility investments in Italy also performed well

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	5.02%	27.75%	16.54%	n/a
Index	2.95%	12.16%	5.02%	n/a

Cohen & Steers Listed Infrastructure ($137mm)

- Positioning: we have overweight positions in companies operating toll roads, passenger rails (in Japan), and cell towers.
- Q3 performance: in line with index as cell tower owners performed well, while our toll road operators lagged.

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	2.94%	12.62%	5.48%	n/a
Index	2.95%	12.16%	5.02%	n/a

SSGA Listed Infrastructure ($272mm)

- Passive portfolio used to adjust weighting

	QTD (%)	1Yr (%)	3Yr (%)	5Yr(%)
Portfolio	2.93%	n/a	n/a	n/a
Index	2.95%	n/a	n/a	n/a

Alaska Permanent Fund Stress Test Memo

APFC ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Bridgewater's Forecast & Stress Test of APFC Returns & Liabilities

ACTION: _____

DATE: December 12, 2017

INFORMATION: ___X_

BACKGROUND:

The APFC Risk and Asset Allocation team worked with Bridgewater to create a scenario analysis to project the sustainability of the fund with a proposed State of Alaska draw. In addition, the Bridgewater analysis stress tested economic environment and historical time periods to gain further clarity on the impact of such a draw on the Fund and Earning Reserve values overtime.

The analysis provides estimated returns required to achieve different APFC plan outcomes, and compares these return hurdles to the range of returns implied by forward-looking Bridgewater assumptions, Callan estimates, and historical returns (adjusted for today's cash rates). Two derived scenarios are then stress tested – one in which the fund uses the current stock of unrealized gains as an additional lever to support the balance in the Earnings Reserve and one in which unrealized gains remain unrealized. These scenarios illustrate APFC ability to complete the proposed draw of 5.25%-5% under specific economic circumstances over the next 10 years.

STATUS:

At this meeting Bridgewater staff will present their findings and analysis.

a) Bridgewater Stress Test

APFC Plan Stress Test

November 2017

One Glendinning Place
Westport, CT 06880
(203) 226-3030
www.bridgewater.com

OBSERVATIONS ON THE CURRENT ENVIRONMENT

- We believe that total returns for savers are likely to be historically low over the next decade.

- Forecasting future returns is inherently imprecise; however, we have confidence that low cash rates will be a drag on all assets for the medium term.

- This development presents a significant challenge to investors whose spending plans are based on higher expected returns than are now likely.

METHODOLOGY OVERVIEW

- In the following materials, we estimate the returns required to achieve different APFC plan outcomes, and compare these return hurdles to the range of returns implied by forward-looking Bridgewater assumptions, Callan estimates, and historical returns (adjusted for today's cash rates).

- Since we are not able to model APFC's realization of gains in any precise way, we stress test two scenarios, distinguished by whether the current stock of unrealized gains are used as an additional lever to support the balance in the Earnings Reserve:

  1) Make payments according to distribution plan (5.25%/5%) until Earnings Reserve is exhausted (~$13B starting buffer)

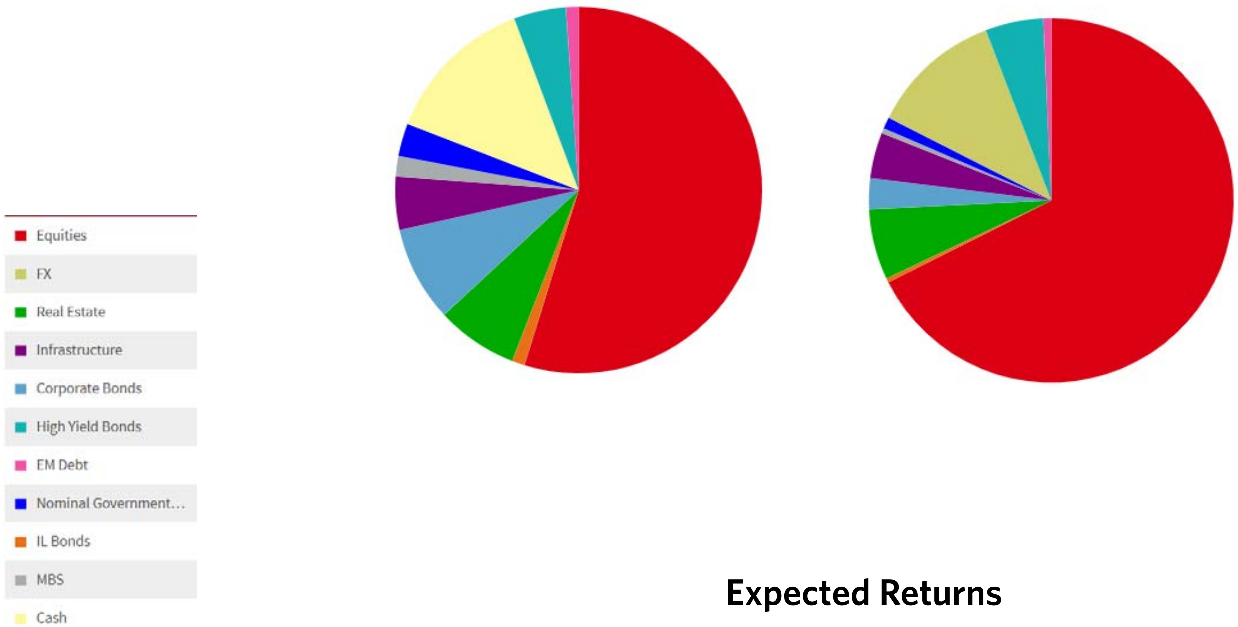
     – This stress test is <u>conservative</u> with respect to potential distributions (i.e., should represent a lower-bound for expected payments from the fund).

  2) Make payments until overall plan surplus (Earnings Reserve + Current Unrealized Gains) is exhausted (~$20B starting buffer)

     – This stress test is <u>less conservative</u> with respect to distributions (i.e., the worst case distribution outcomes will be less severe, though the worst case ending fund size will be more severe).

APFC 2018 TARGET PORTFOLIO OVERVIEW

Capital Share **Asset Class Risk**

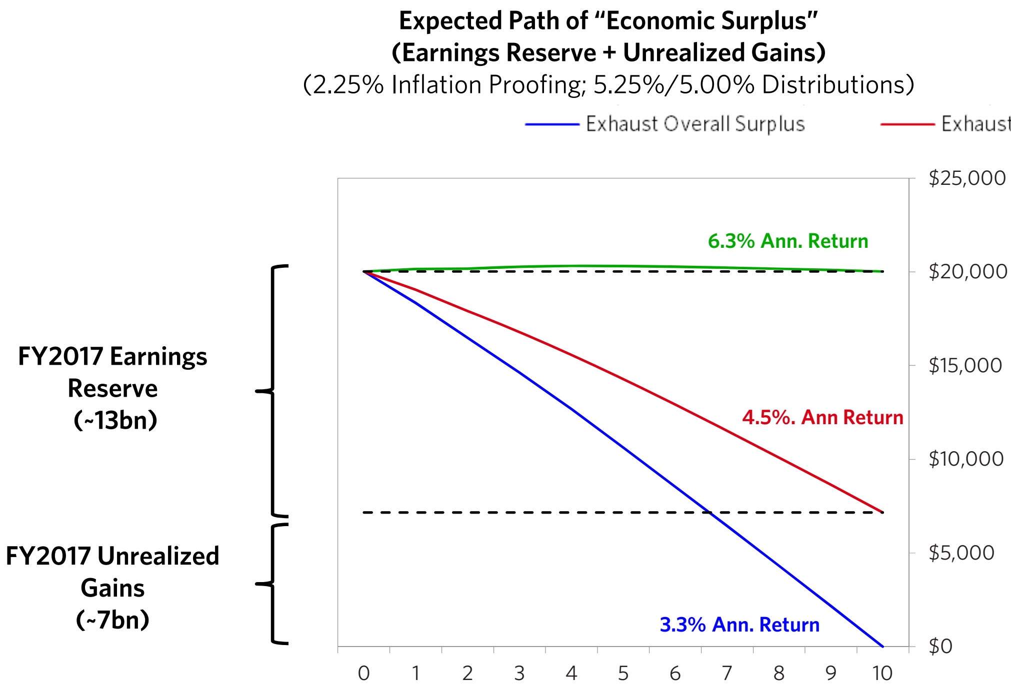


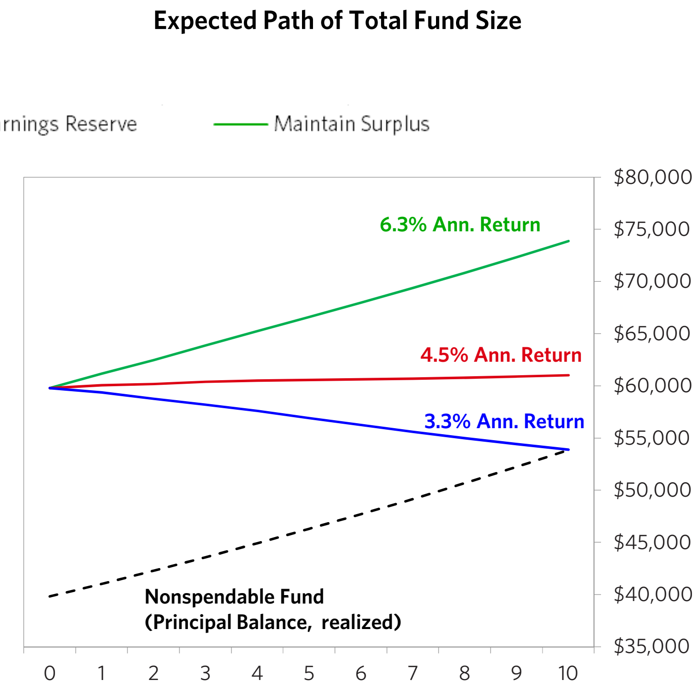
Expected Returns

	10-Year Value	Long-Term Assumptions	Historical Sharpe Ratio	Callan Estimates
Total Return	3.8%	5.2%	5.8%	6.5%
Cash Return	1.3%	1.3%	1.3%	2.3%
Excess Return	2.5%	3.9%	4.6%	4.3%
Volatility	10.9%	10.9%	10.9%	12.4%
Ratio	0.23	0.36	0.42	0.34

For more information on how the APFC portfolio is modeled, please the disclosures at the end of the presentation. There is no guarantee the results shown will be achieved. Please review the “Important Disclosures and Other Information” located at the end of this document.

YOUR REQUIRED RETURN





	Assuming 2.25% Annual Inflation Proofing:	
	Required Return	Odds of Falling Short
Exhaust Overall Surplus	3.3%	20%
Exhaust Earnings Reserve	4.5%	30%
Maintain Surplus	6.3%	48%

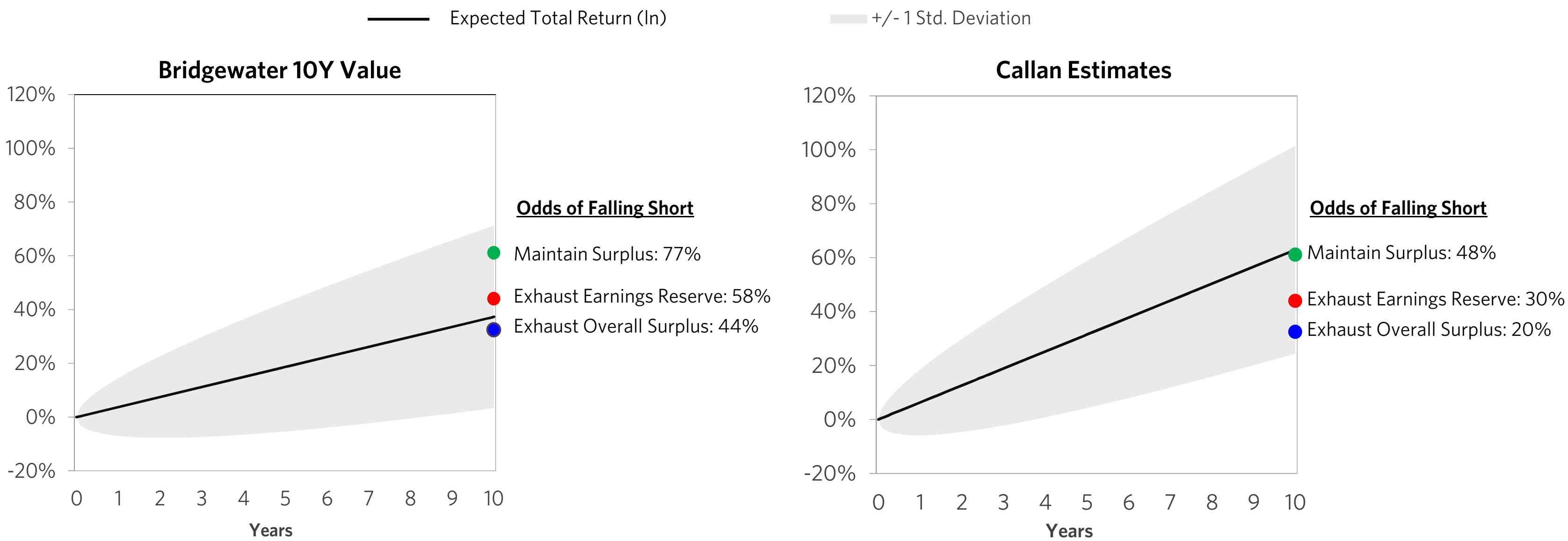
Note: Probabilities based on Callan Return Estimates

Note: the probabilities shown above assume all distributions are made in full. To the extent payments are reduced after depleting the earnings reserve, the odds of exhausting the "Overall Surplus" would be lower.

Data shown is based on cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance. Probabilities of achieving stated returns are based on Callan assumptions provided by APFC, which indicate a 6.5% total return, 4.25% excess return, and 12.35% annual volatility. There is no guarantee the results shown will be achieved. Please review the "Important Disclosures and Other Information" located at the end of this document.

YOUR PORTFOLIO'S EXPECTED PERFORMANCE

Expected Total Returns (ln)



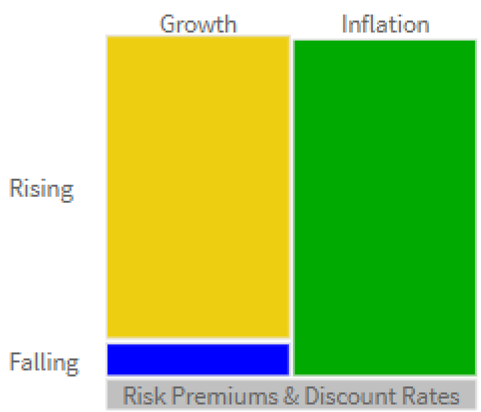
	10-Year Value	Long-Term Assumptions	Historical Sharpe Ratio	Callan Estimates
Total Return	3.8%	5.2%	5.8%	6.5%
Cash Return	1.3%	1.3%	1.3%	2.3%
Excess Return	2.5%	3.9%	4.6%	4.3%
Volatility	10.9%	10.9%	10.9%	12.4%
Ratio	0.23	0.36	0.42	0.34

Note: the probabilities shown above assume all distributions are made in full. To the extent payments are reduced after depleting the earnings reserve, the odds of exhausting the "Overall Surplus" would be lower.

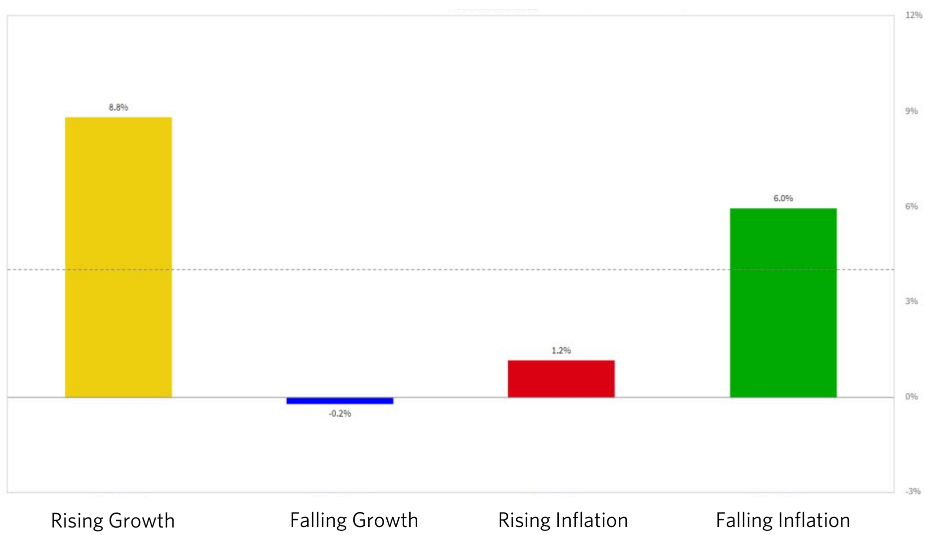
The "Median Surplus", "Exhaust Earnings Reserve" and "Exhaust Overall Surplus" dots represent the return hurdles associated with the required return estimates shown on prior slide. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. There is no guarantee the results shown will be achieved. Please review the "Important Disclosures and Other Information" located at the end of this document.

APFC 2018 TARGET PORTFOLIO: ENVIRONMENTAL BIAS

Environmental Risk Share



Average Excess Return (Ann.) by Economic Environment

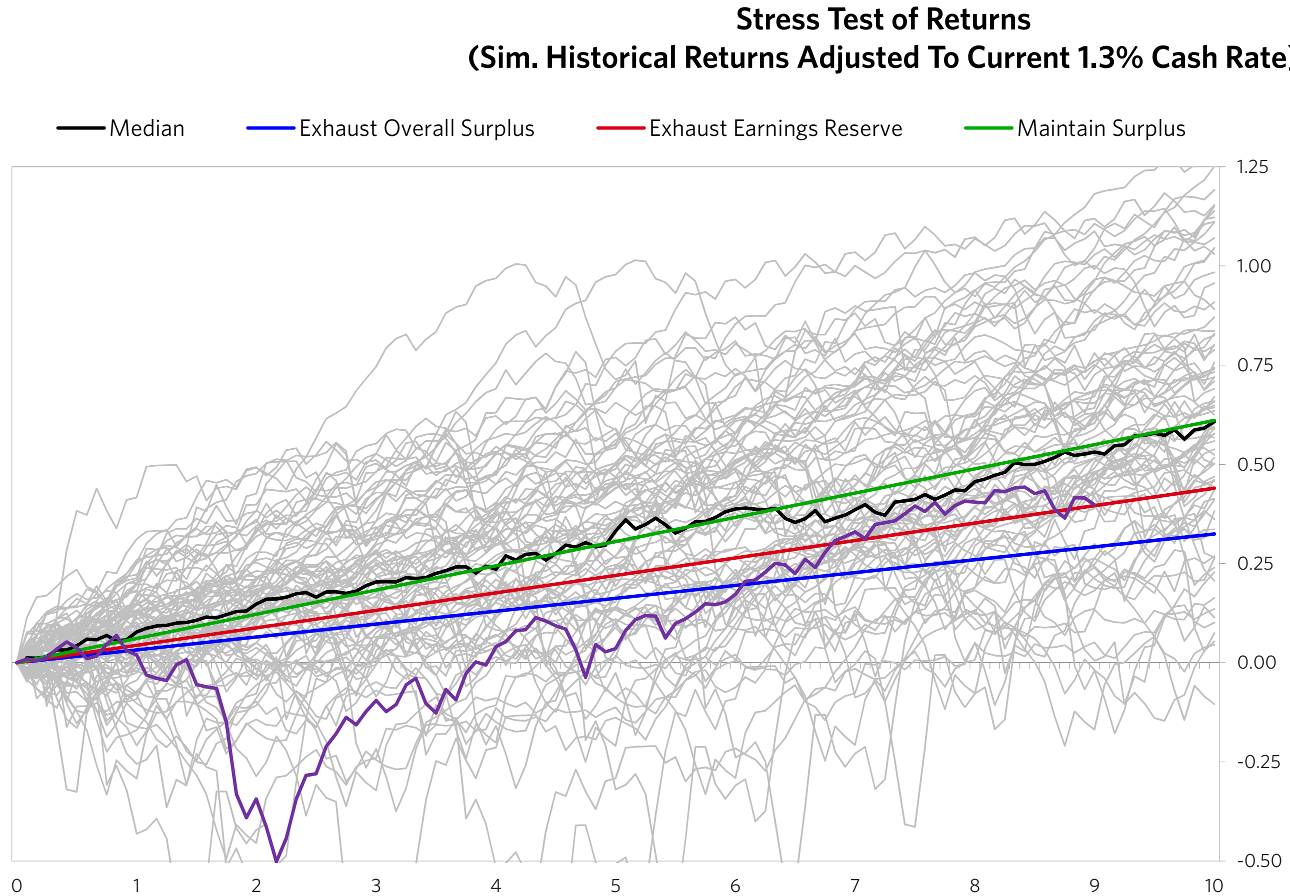


The APFC 2018 Target Portfolio is vulnerable to environments of lower-than-expected growth or higher-than-expected inflation.

The chart on the right reflects data from 1970 to April 2017. A rising (falling) inflation month is defined as a month in which the current rate of inflation is greater (lower) than the 12-month moving average rate of inflation. A rising (falling) growth month is defined as a month in which the current rate of real GDP growth is greater (lower) than the 12-month moving average rate of real GDP growth. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. There is no guarantee the results shown will be achieved. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the “Important Disclosures and Other Information” located at the end of this document.

Historical Stress Test

HISTORICAL STRESS TEST VS. REQUIRED RETURN



Scenario	Annualized	Percentile
Maintain Surplus	6.3%	51%
Median	6.3%	50%
Exhaust Earnings Reserve	4.5%	26%
Exhaust Overall Surplus	3.3%	18%
2007-2015 (APFC Stress Case)	4.5%	26%

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. The "Median" scenario is the median outcome of 10-year periods. The "Median Surplus", "Exhaust Earnings Reserve" and "Exhaust Overall Surplus" lines represents the return hurdles associated with the required return estimates shown on prior slides. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

10-YEAR STRESS TEST: SUMMARY OF KEY RESULTS

	Stress Test 1 (Distributions Limited by Earnings Reserve)	Stress Test 2 (Distributions Limited by ER + Unrealized P&L)	
Earnings Reserve			
20th Percentile	$7,047		Reserve balances decline in roughly half of cases.
Median	$16,541		
Expected (@6.5% Return)	$14,316		
Cumulative Distributions			
20th Percentile	$22,773	$25,253	**Expectations met in roughly half of cases. Falls ~6-9B short of expectations in 20% of cases**
Median	$30,450	$31,806	
Expected (@6.5% Return)	$31,521	$31,521	
Economic Surplus			
20th Percentile	$14,202	$9,305	
Median	$23,696	$20,715	
Expected (@6.5% Return)	$21,471	$21,471	
Total Fund Size			
20th Percentile	$63,500	$59,215	**Wide range of outcomes. Falls ~10-15B short of expectations in 20% of cases**
Median	$75,537	$74,274	
Expected (@6.5% Return)	$75,331	$75,331	
Cumulative Missed Inflation Payments			
20th Percentile	-$3,137	-$1,502	
Median	-$996	$0	
Expected (@6.5% Return)	$0	$0	

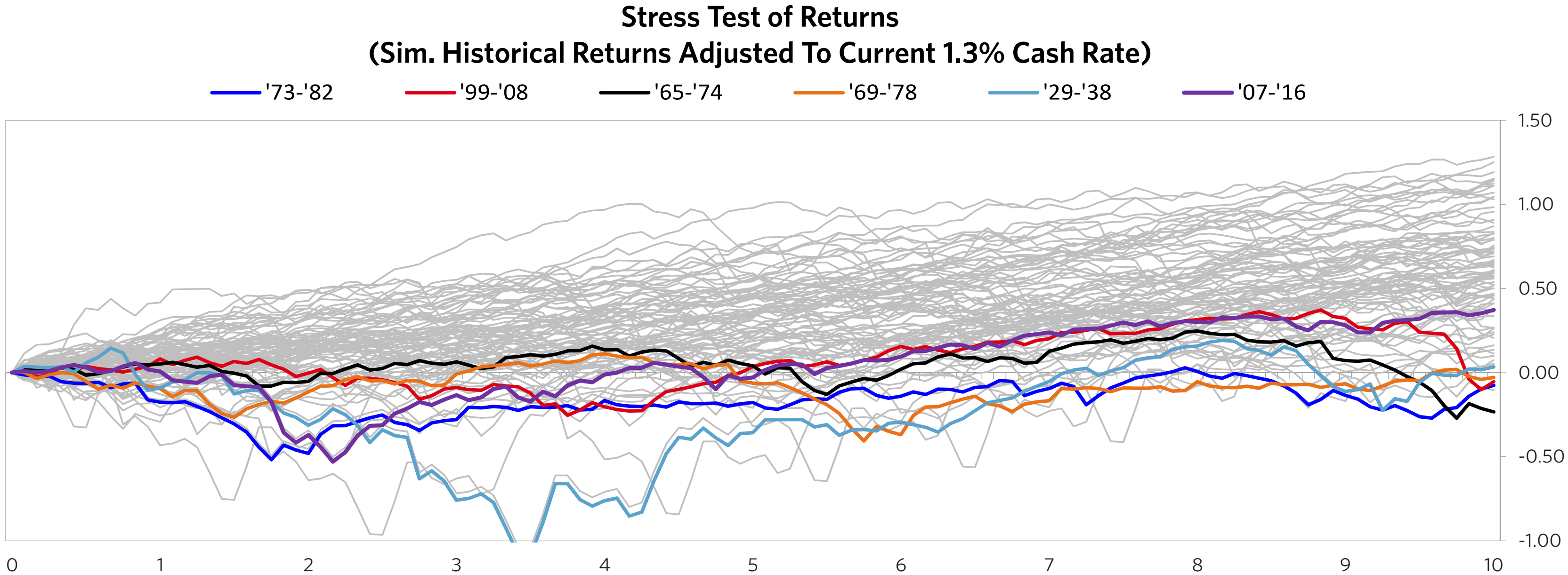
Note: "Cumulative Missed Inflation Payments" is based on an assumed 2.25% inflation rate over the period.

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Estimates of ending balances and cash flows are based on the information provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

Stress Test 1: 10 Year Time Horizon

(Distributions Limited By Earnings Reserve Balance)

STRESS TEST: NOTABLE PERIODS



		Distribution Measures		Future Capacity Measures		
Date Range	Excess Return (Ann.)	Ending Earnings Reserve	Cumulative Distributions	Ending Economic Surplus	Ending Total Fund Size	Cumultive Missed Inflation Payments
1965 - 1974	-2.4%	0	20,285	(9,484)	41,086	(3,290)
1973 - 1982	-0.8%	0	13,187	6,527	52,914	(7,474)
1999 - 2008	-0.6%	0	23,301	(4,850)	47,019	(1,991)
1969 - 1978	-0.3%	2,732	11,931	9,887	57,260	(6,487)
1929 - 1938	0.3%	8,717	10,048	15,872	63,500	(6,232)
2007 - 2016	3.8%	13,820	22,641	20,975	72,194	(2,642)
Expected (@6.5% Return)		14,316	31,521	21,471	75,331	0

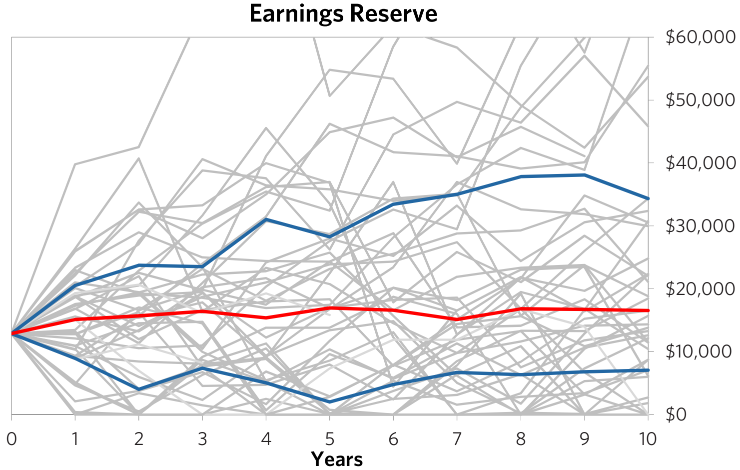
Note: "Cumulative Missed Inflation Payments" is based on an assumed 2.25% inflation rate over the period.

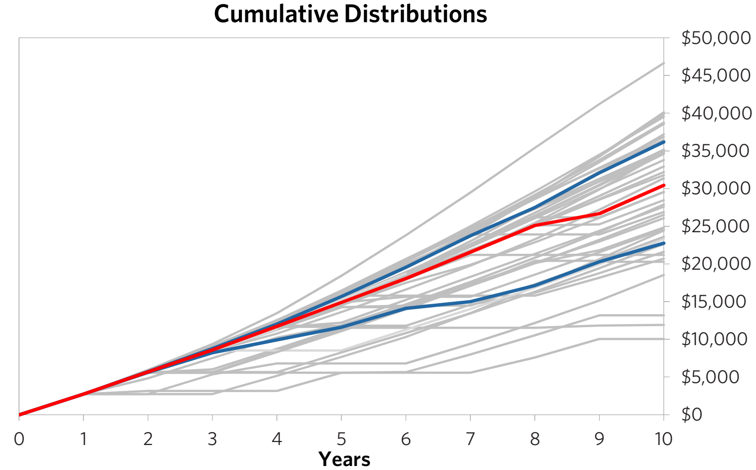
In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

STRESS TEST SUMMARY (1 OF 3)

Simulated Using Historical Returns Adjusted for Today's Cash Since 1925

20th/80th Pctile   Median





Earnings Reserve - 10 Year Scenarios	
% of Periods Ending with Lower Earnings Reserve	40%
% of Periods Ending with Zero Earnings Reserve	12%
20th Percentile	7,047
Median	16,541
80th Percentile	34,342
Expected (@ 6.5% Return)	14,316

Distributions - 10 Year Scenarios	
% of Periods With At Least One Fully Missed Payment	44%
% of Periods With At Least Three Fully Missed Payments	16%
20th Percentile Cumulative Distributions	22,773
Median Cumulative Distributions	30,450
80th Percentile Cumulative Distributions	36,168
Expected (@ 6.5% Return)	31,521

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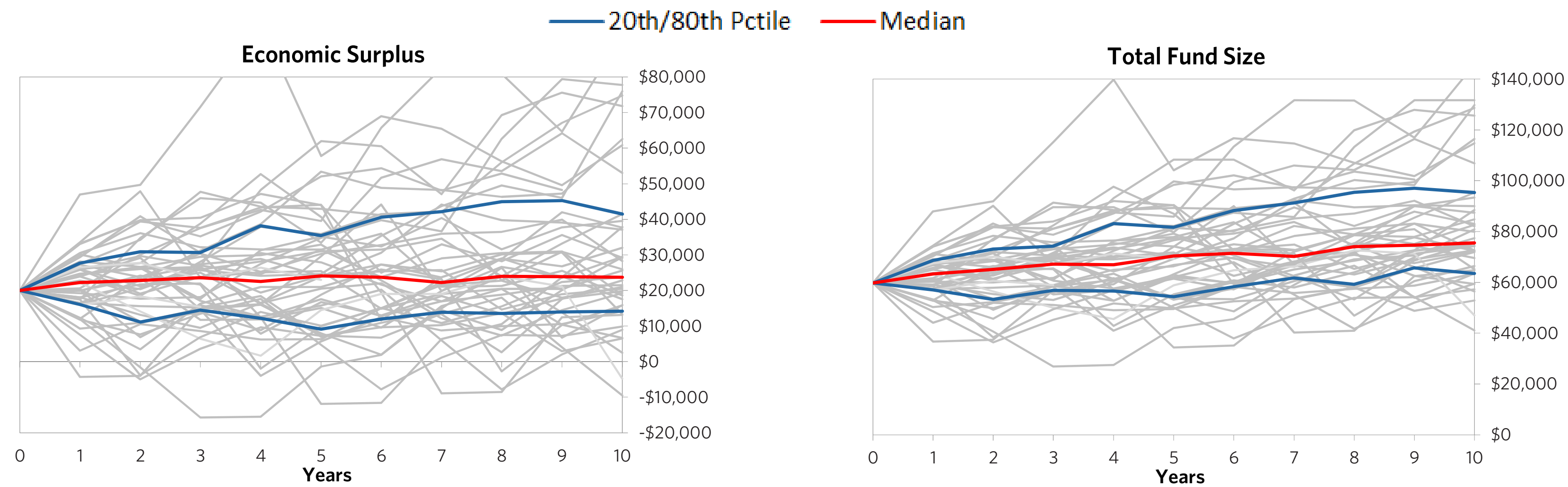
STRESS TEST SUMMARY (2 OF 3)

Simulated Using Historical Returns Adjusted for Today's Cash Since 1925

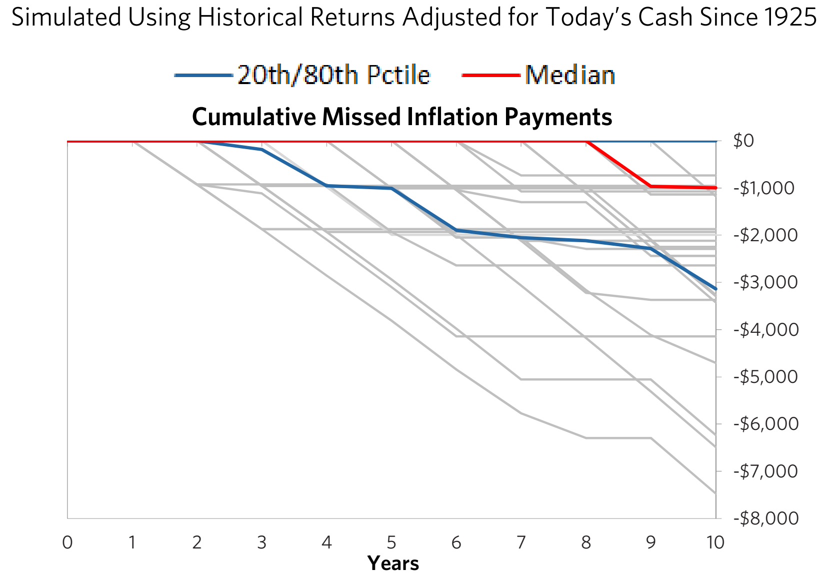


Economic Surplus - 10 Year Scenarios	
% of Periods Ending with Lower Economic Surplus	40%
% of Periods Ending with Zero/Negative Economic Surplus	5%
20th Percentile	14,202
Median	23,696
80th Percentile	41,497
Expected (@ 6.5% Return)	21,471

Total Fund Size - 10 Year Scenarios	
% of Periods Ending with Lower Total Fund Size	17%
20th Percentile	63,500
Median	75,537
80th Percentile	95,358
Expected (@ 6.5% Return)	75,331

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

STRESS TEST SUMMARY (3 OF 3)

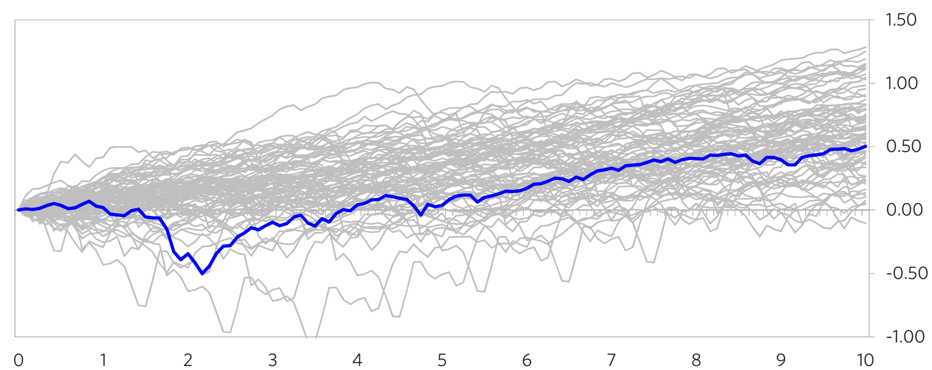


Cumulative Missed Inflation Payments- 10 Year Scenarios	
% of Periods Ending with Deficit	58%
20th Percentile	(3,137)
Median	(996)
80th Percentile	-
Expected (@ 6.5% Return)	0

Note: based on an assumed 2.25% inflation rate over the period.

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates in the table are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

STRESS TEST EXAMPLE: 2007 -2016

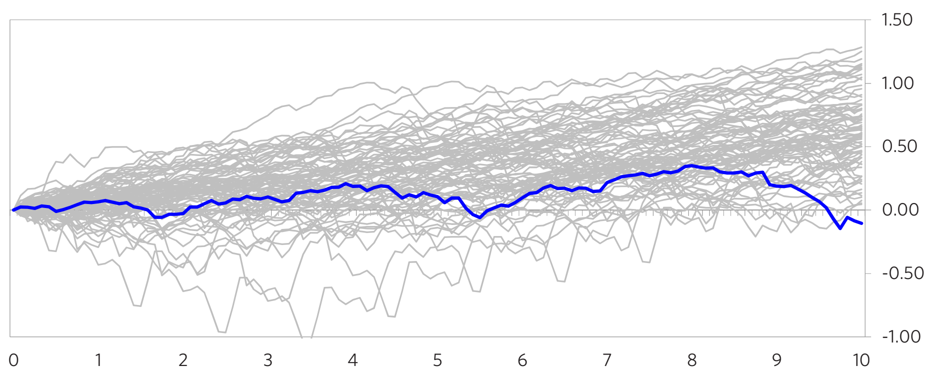


Financial Crisis & Recovery ('07-'16)

Projection Year Returns Year	2018 2007	2019 2008	2020 2009	2021 2010	2022 2011	2023 2012	2024 2013	2025 2014	2026 2015	2027 2016
Rolling 5yr Fund Size (BOY)	$52.3	$55.0	$52.5	$51.8	$52.6	$51.6	$51.9	$57.8	$62.1	$64.2
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.9	$2.6	$2.6	$2.6	$2.6	$2.6	$2.9	$3.1	$3.2
Asset Portfolio Return	2.0%	-30.1%	27.9%	14.4%	-0.5%	14.5%	16.9%	7.7%	-0.7%	10.9%
Actual Distribution ($)	$2.7	$2.9	$0.0	$0.0	$2.6	$2.6	$2.6	$2.9	$3.1	$3.2
% of Desired	100%	100%	0%	0%	100%	100%	100%	100%	100%	100%
Total Fund Size (EOY)	$58.6	$38.4	$49.5	$57.0	$54.4	$60.1	$68.0	$70.8	$67.6	$72.2
Earnings Reserve (EOY)	$10.4	$0.0	$0.0	$6.8	$2.9	$7.9	$14.4	$15.6	$10.9	$13.8
Economic Surplus (EOY)	$17.6	-$3.9	$6.9	$14.0	$10.1	$15.0	$21.5	$22.8	$18.0	$21.0
Cumulative Distributions	$2.7	$5.6	$5.6	$5.6	$8.3	$10.8	$13.4	$16.3	$19.4	$22.6
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	99%	66%	49%	56%	61%	63%	66%	69%	72%
Cumulative Missed Inf. Payments	$0.0	$0.0	-$1.0	-$1.9	-$1.9	-$2.6	-$2.6	-$2.6	-$2.6	-$2.6
Real Value of Principal Balance	$40.1	$40.4	$39.9	$39.3	$39.7	$39.4	$39.8	$40.2	$40.6	$41.0

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the “Important Disclosures and Other Information” located at the end of this document.

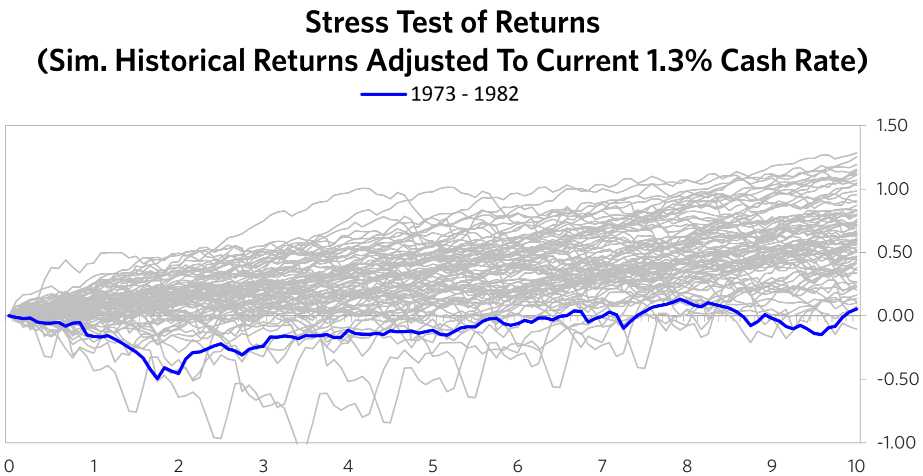
STRESS TEST EXAMPLE: 1965-1974



Stagflation ('65-'74)

Projection Year Returns Year	2018 1965	2019 1966	2020 1967	2021 1968	2022 1969	2023 1970	2024 1971	2025 1972	2026 1973	2027 1974
Rolling 5yr Fund Size (BOY)	$52.3	$55.6	$56.0	$57.1	$58.8	$57.6	$56.0	$57.4	$59.0	$57.7
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.9	$2.8	$2.9	$2.9	$2.9	$2.8	$2.9	$3.0	$2.9
Asset Portfolio Return	6.6%	-8.6%	13.7%	8.7%	-7.7%	-0.8%	12.6%	14.0%	-14.8%	-25.0%
Actual Distribution ($)	$2.7	$2.9	$2.8	$2.9	$2.9	$0.2	$0.0	$2.9	$3.0	$0.0
% of Desired	100%	100%	100%	100%	100%	7%	0%	100%	100%	0%
Total Fund Size (EOY)	$61.3	$53.5	$58.4	$60.9	$53.7	$53.4	$60.5	$66.5	$54.2	$41.1
Earnings Reserve (EOY)	$13.2	$4.1	$7.6	$8.8	$0.2	$0.0	$6.3	$10.8	$0.0	$0.0
Economic Surplus (EOY)	$20.3	$11.2	$14.8	$16.0	$7.4	$6.7	$13.5	$18.0	$4.1	-$9.5
Cumulative Distributions	$2.7	$5.7	$8.5	$11.3	$14.3	$14.5	$14.5	$17.3	$20.3	$20.3
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	100%	99%	98%	97%	81%	68%	71%	72%	64%
Cumulative Missed Inf. Payments	$0.0	$0.0	$0.0	$0.0	$0.0	-$1.0	-$2.1	-$2.1	-$2.1	-$3.3
Real Value of Principal Balance	$40.1	$40.4	$40.8	$41.1	$41.4	$40.8	$40.3	$40.6	$41.0	$40.5

STRESS TEST EXAMPLE: 1973-1982



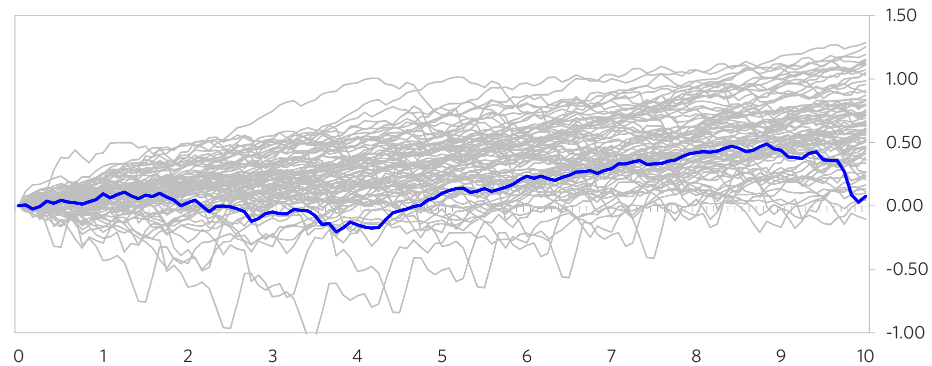
Inflation + Volcker Tightening ('73-'82)

Projection Year Returns Year	2018 1973	2019 1974	2020 1975	2021 1976	2022 1977	2023 1978	2024 1979	2025 1980	2026 1981	2027 1982
Rolling 5yr Fund Size (BOY)	$52.3	$53.0	$50.1	$48.5	$48.3	$46.3	$47.1	$50.6	$53.1	$52.5
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.8	$2.5	$2.4	$2.4	$2.3	$2.4	$2.5	$2.7	$2.6
Asset Portfolio Return	-14.8%	-25.0%	23.6%	13.4%	0.2%	5.0%	5.9%	12.0%	-11.9%	7.4%
Actual Distribution ($)	$2.7	$0.4	$0.0	$0.0	$2.4	$0.1	$2.4	$2.5	$2.7	$0.0
% of Desired	100%	14%	0%	0%	100%	4%	100%	100%	100%	0%
Total Fund Size (EOY)	$48.6	$36.4	$45.3	$51.7	$49.7	$52.5	$53.6	$58.0	$48.8	$52.9
Earnings Reserve (EOY)	$0.4	$0.0	$0.0	$2.5	$0.1	$2.5	$3.1	$6.4	$0.0	$0.0
Economic Surplus (EOY)	$7.6	-$5.0	$3.6	$9.6	$7.2	$9.7	$10.3	$13.6	$2.9	$6.5
Cumulative Distributions	$2.7	$3.1	$3.1	$3.1	$5.6	$5.6	$8.0	$10.5	$13.2	$13.2
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	56%	37%	27%	38%	32%	38%	43%	47%	42%
Cumulative Missed Inf. Payments	$0.0	-$0.9	-$1.9	-$2.9	-$3.8	-$4.8	-$5.8	-$6.3	-$6.3	-$7.5
Real Value of Principal Balance	$40.1	$39.6	$39.0	$38.5	$38.0	$37.5	$37.1	$37.1	$37.6	$37.1

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

STRESS TEST EXAMPLE: 1999-2008

Stress Test of Returns
(Sim. Historical Returns Adjusted To Current 1.3% Cash Rate)



Tech Bubble + Financial Crisis ('99-'08)

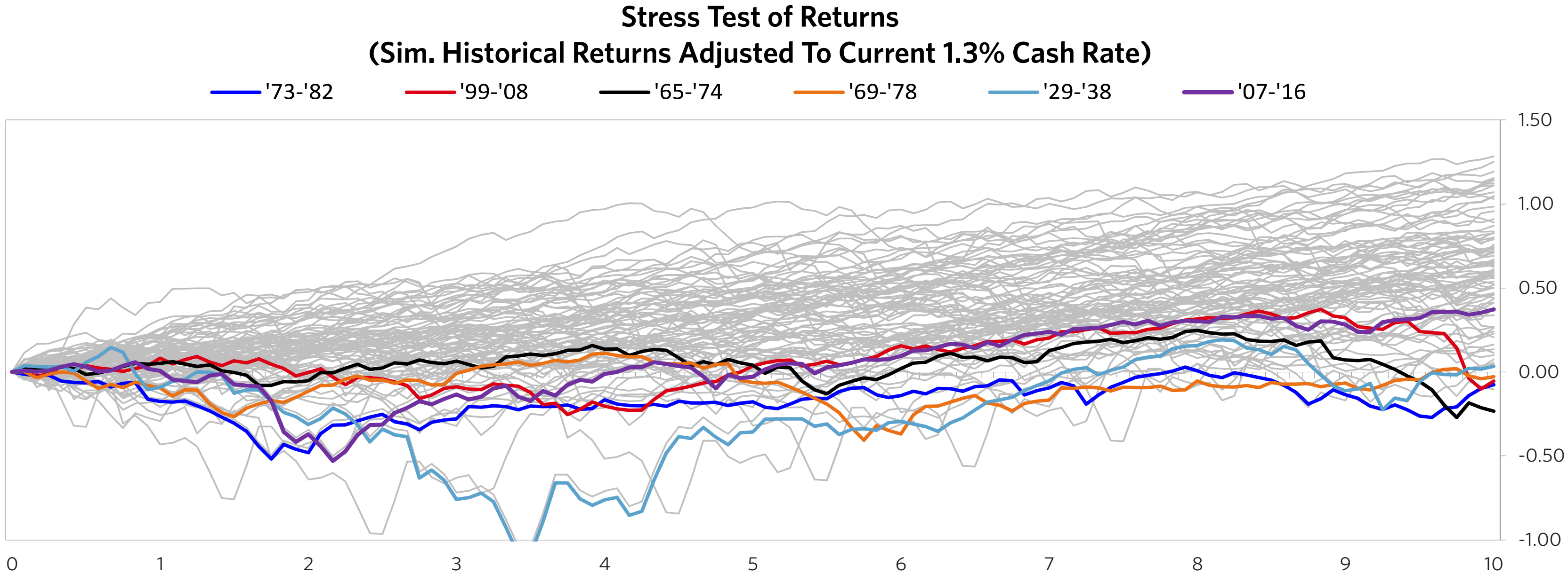
Projection Year Returns Year	2018 1999	2019 2000	2020 2001	2021 2002	2022 2003	2023 2004	2024 2005	2025 2006	2026 2007	2027 2008
Rolling 5yr Fund Size (BOY)	$52.3	$56.0	$57.0	$56.5	$55.0	$54.8	$55.1	$57.1	$61.6	$66.7
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.9	$2.9	$2.8	$2.8	$2.7	$2.8	$2.9	$3.1	$3.3
Asset Portfolio Return	9.9%	-6.8%	-6.8%	-9.6%	28.1%	14.2%	5.9%	13.3%	2.0%	-30.1%
Actual Distribution ($)	$2.7	$2.9	$2.9	$0.0	$0.0	$2.7	$2.8	$2.9	$3.1	$3.3
% of Desired	100%	100%	100%	0%	0%	100%	100%	100%	100%	100%
Total Fund Size (EOY)	$63.3	$56.4	$50.0	$45.6	$58.8	$64.8	$66.2	$72.6	$71.4	$47.0
Earnings Reserve (EOY)	$15.1	$7.0	$0.0	$0.0	$7.3	$11.9	$11.9	$16.8	$14.0	$0.0
Economic Surplus (EOY)	$22.3	$14.1	$6.5	$1.7	$14.5	$19.1	$19.0	$23.9	$21.1	-$4.9
Cumulative Distributions	$2.7	$5.7	$8.5	$8.5	$8.5	$11.3	$14.0	$16.9	$20.0	$23.3
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	100%	100%	74%	58%	63%	66%	69%	71%	74%
Cumulative Missed Inf. Payments	$0.0	$0.0	$0.0	-$1.0	-$2.0	-$2.0	-$2.0	-$2.0	-$2.0	-$2.0
Real Value of Principal Balance	$40.1	$40.4	$40.8	$40.2	$39.6	$40.0	$40.4	$40.7	$41.1	$41.5

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the “Important Disclosures and Other Information” located at the end of this document.

Stress Test 2: 10 Year Time Horizon

(Distributions Limited By Earnings Reserve Balance + Current Unrealized Gains)

STRESS TEST: NOTABLE PERIODS



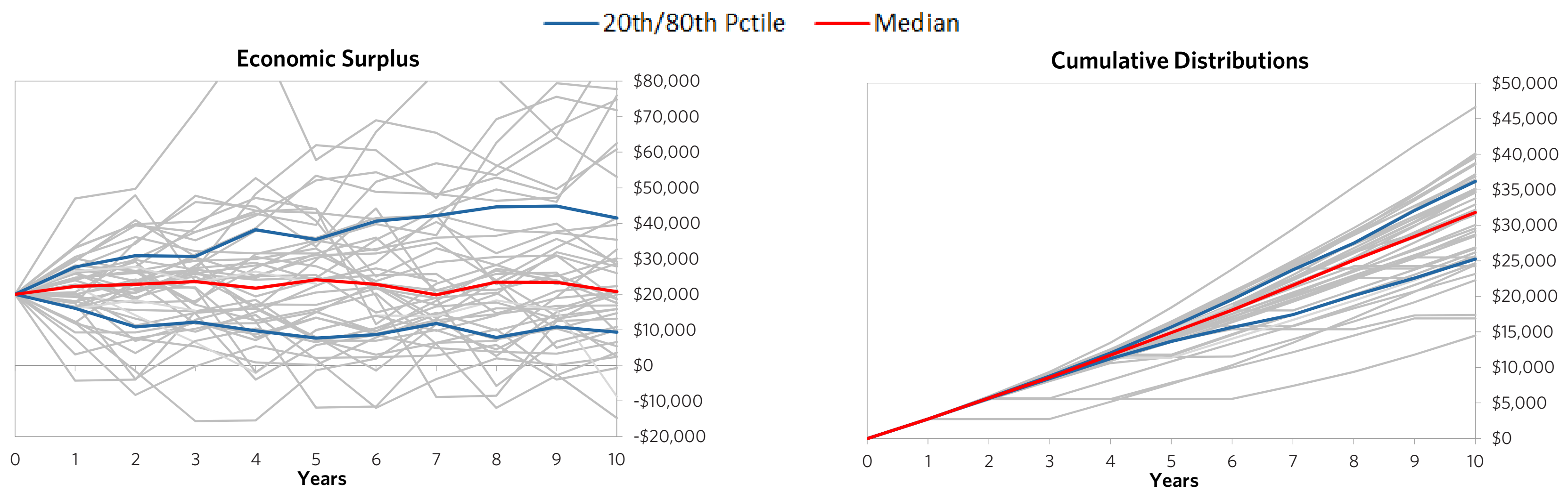
		Distribution Measures		Future Capacity Measures		
Date Range	Excess Return (Ann.)	Ending Earnings Reserve	Cumulative Distributions	Ending Economic Surplus	Ending Total Fund Size	Cumultive Missed Inflation Payments
1965 - 1974	-2.4%	-	25,494	(14,824)	37,040	(1,997)
1973 - 1982	-0.8%	-	16,890	(720)	47,436	(5,705)
1999 - 2008	-0.6%	-	25,404	(8,775)	44,075	(1,011)
1969 - 1978	-0.3%	-	17,404	2,419	50,743	(5,536)
1929 - 1938	0.3%	-	14,483	9,959	58,828	(4,992)
2007 - 2016	3.8%	-	24,660	15,843	68,753	(951)
Expected (@6.5% Return)		-	31,521	21,471	75,331	0

Note: "Cumulative Missed Inflation Payments" is based on an assumed 2.25% inflation rate over the period.

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

STRESS TEST SUMMARY (1 OF 2)

Simulated Using Historical Returns Adjusted for Today's Cash Since 1925



Economic Surplus - 10 Year Scenarios	
% of Periods Ending with Lower Economic Surplus	48%
% of Periods Ending with Zero/Negative Economic Surplus	7%
20th Percentile	9,305
Median	20,715
80th Percentile	41,497
Expected (@ 6.5% Return)	21,471

Distributions - 10 Year Scenarios	
% of Periods With At Least One Fully Missed Payment	35%
% of Periods With At Least Three Fully Missed Payments	7%
20th Percentile Cumulative Distributions	25,253
Median Cumulative Distributions	31,806
80th Percentile Cumulative Distributions	36,168
Expected (@ 6.5% Return)	31,521

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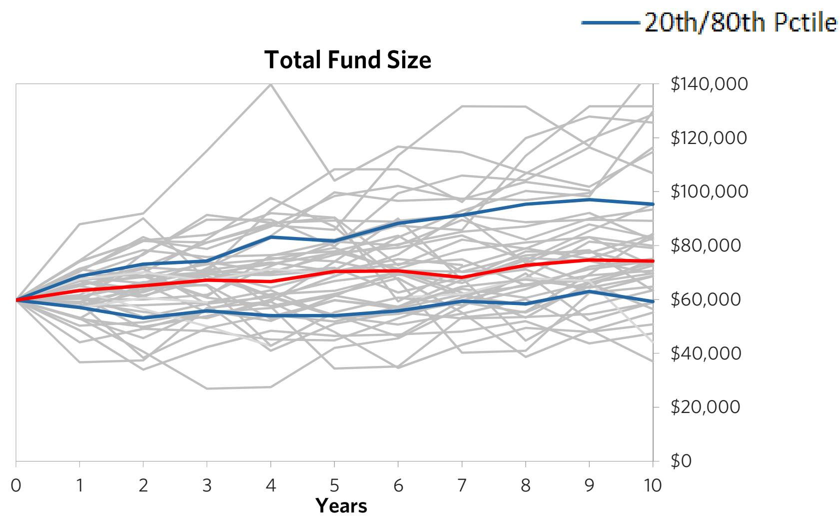
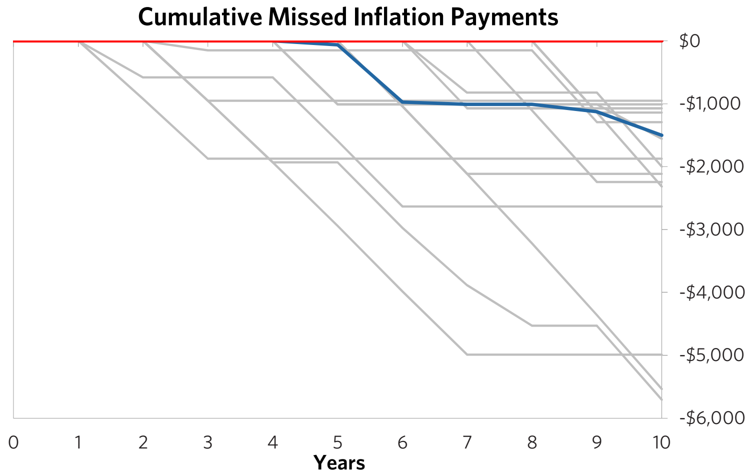
STRESS TEST SUMMARY (2 OF 2)

Simulated Using Historical Returns Adjusted for Today's Cash Since 1925





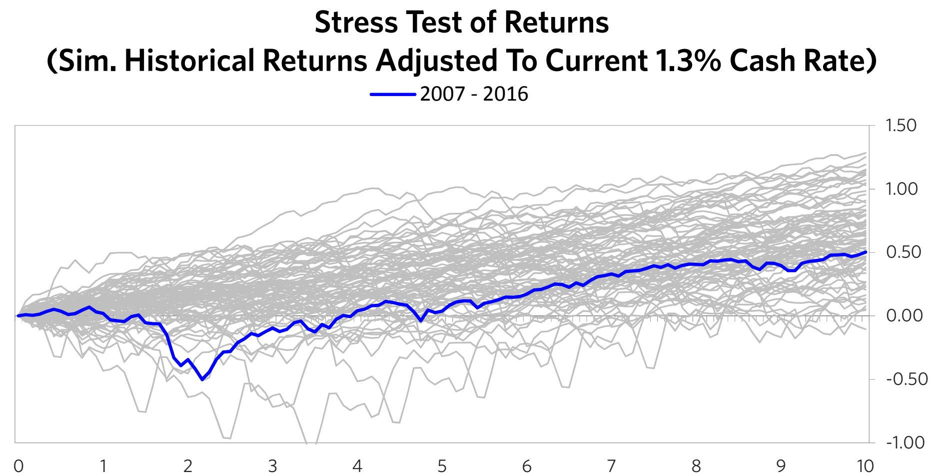
Total Fund Size - 10 Year Scenarios	
% of Periods Ending with Lower Total Fund Size	21%
20th Percentile	59,215
Median	74,274
80th Percentile	95,358
Expected (@ 6.5% Return)	75,331

Cumulative Missed Inflation Payments- 10 Year Scenarios	
% of Periods Ending with Deficit	37%
20th Percentile	(1,502)
Median	-
80th Percentile	-
Expected (@ 6.5% Return)	0

Note: based on an assumed 2.25% inflation rate over the period.

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the "Important Disclosures and Other Information" located at the end of this document.

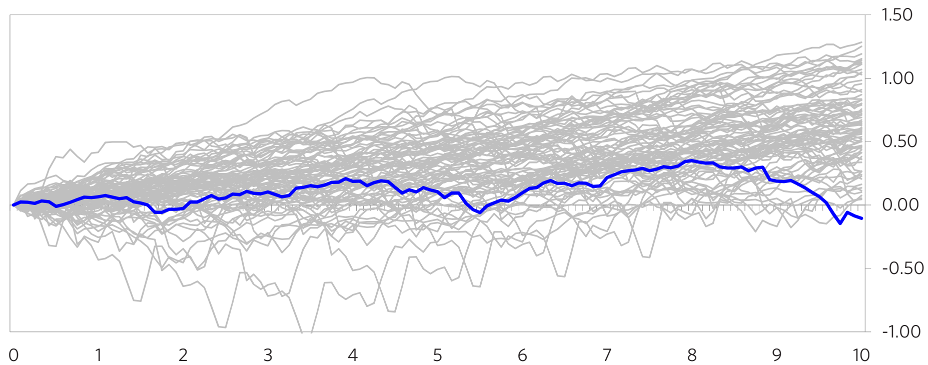
STRESS TEST EXAMPLE: 2007-2016



Financial Crisis & Recovery ('07-'16)

Projection Year Returns Year	2018 2007	2019 2008	2020 2009	2021 2010	2022 2011	2023 2012	2024 2013	2025 2014	2026 2015	2027 2016
Rolling 5yr Fund Size (BOY)	$52.3	$55.0	$52.5	$51.8	$52.1	$50.5	$50.3	$55.5	$59.1	$61.1
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.9	$2.6	$2.6	$2.6	$2.5	$2.5	$2.8	$3.0	$3.1
Asset Portfolio Return	2.0%	-30.1%	27.9%	14.4%	-0.5%	14.5%	16.9%	7.7%	-0.7%	10.9%
Actual Distribution ($)	$2.7	$2.9	$0.0	$2.6	$2.6	$2.5	$2.5	$2.8	$3.0	$3.1
% of Desired	100%	100%	0%	100%	100%	100%	100%	100%	100%	100%
Total Fund Size (EOY)	$58.6	$38.4	$49.5	$54.4	$51.9	$57.2	$64.8	$67.4	$64.4	$68.8
Earnings Reserve (EOY)	-	-	-	-	-	-	-	-	-	-
Economic Surplus (EOY)	$17.6	-$3.9	$6.9	$10.4	$6.5	$10.5	$16.6	$17.7	$13.1	$15.8
Cumulative Distributions	$2.7	$5.6	$5.6	$8.2	$10.8	$13.4	$15.9	$18.6	$21.6	$24.7
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	99%	66%	71%	74%	75%	75%	76%	77%	78%
Cumulative Missed Inf. Payments	$0.0	$0.0	-$1.0	-$1.0	-$1.0	-$1.0	-$1.0	-$1.0	-$1.0	-$1.0
Real Value of Principal Balance	$40.1	$40.4	$39.9	$40.2	$40.6	$40.9	$41.3	$41.6	$42.0	$42.4

STRESS TEST EXAMPLE: 1965-1974



Stagflation ('65-'74)

Projection Year Returns Year	2018 1965	2019 1966	2020 1967	2021 1968	2022 1969	2023 1970	2024 1971	2025 1972	2026 1973	2027 1974
Rolling 5yr Fund Size (BOY)	$52.3	$55.6	$56.0	$57.1	$58.8	$57.6	$55.4	$55.7	$56.0	$53.6
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.9	$2.8	$2.9	$2.9	$2.9	$2.8	$2.8	$2.8	$2.7
Asset Portfolio Return	6.6%	-8.6%	13.7%	8.7%	-7.7%	-0.8%	12.6%	14.0%	-14.8%	-25.0%
Actual Distribution ($)	$2.7	$2.9	$2.8	$2.9	$2.9	$2.9	$2.8	$2.8	$2.8	$0.0
% of Desired	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%
Total Fund Size (EOY)	$61.3	$53.5	$58.4	$60.9	$53.7	$50.7	$54.7	$60.0	$48.8	$37.0
Earnings Reserve (EOY)	-	-	-	-	-	-	-	-	-	-
Economic Surplus (EOY)	$20.3	$11.2	$14.8	$16.0	$7.4	$3.0	$6.4	$10.2	-$2.6	-$14.8
Cumulative Distributions	$2.7	$5.7	$8.5	$11.3	$14.3	$17.1	$19.9	$22.7	$25.5	$25.5
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	100%	99%	98%	97%	96%	94%	92%	91%	81%
Cumulative Missed Inf. Payments	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	-$0.8	-$0.8	-$0.8	-$2.0
Real Value of Principal Balance	$40.1	$40.4	$40.8	$41.1	$41.4	$41.7	$41.4	$41.7	$42.1	$41.5

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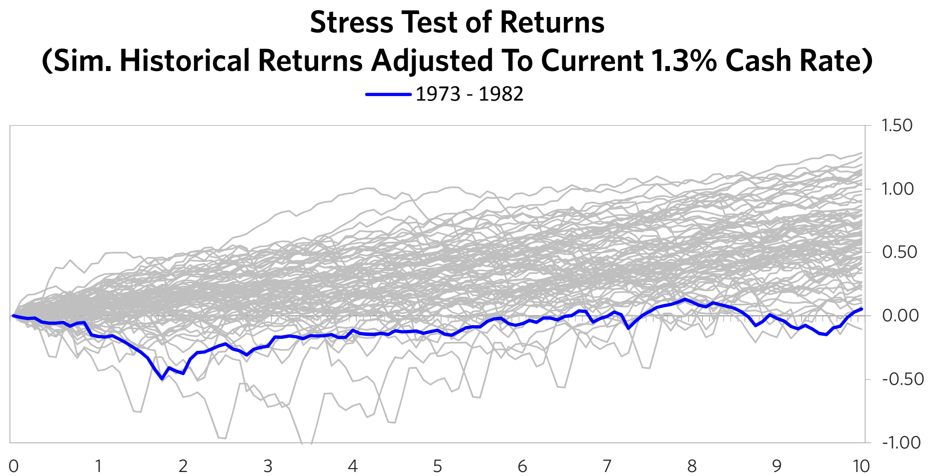
STRESS TEST EXAMPLE: 1973-1982



Inflation + Volcker Tightening ('73-'82)

Projection Year Returns Year	2018 1973	2019 1974	2020 1975	2021 1976	2022 1977	2023 1978	2024 1979	2025 1980	2026 1981	2027 1982
Rolling 5yr Fund Size (BOY)	$52.3	$53.0	$49.6	$47.5	$46.6	$43.9	$43.6	$46.5	$48.4	$47.4
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.8	$2.5	$2.4	$2.3	$2.2	$2.2	$2.3	$2.4	$2.4
Asset Portfolio Return	-14.8%	-25.0%	23.6%	13.4%	0.2%	5.0%	5.9%	12.0%	-11.9%	7.4%
Actual Distribution ($)	$2.7	$2.8	$0.0	$0.0	$2.3	$2.1	$2.2	$2.3	$2.4	$0.0
% of Desired	100%	100%	0%	0%	100%	96%	100%	100%	100%	0%
Total Fund Size (EOY)	$48.6	$34.0	$42.3	$48.4	$46.5	$47.1	$48.1	$51.9	$43.7	$47.4
Earnings Reserve (EOY)	-	-	-	-	-	-	-	-	-	-
Economic Surplus (EOY)	$7.6	-$8.3	-$0.3	$5.4	$2.1	$2.3	$2.8	$5.8	-$4.0	-$0.7
Cumulative Distributions	$2.7	$5.5	$5.5	$5.5	$7.9	$10.0	$12.1	$14.5	$16.9	$16.9
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	98%	65%	48%	53%	56%	57%	59%	60%	54%
Cumulative Missed Inf. Payments	$0.0	$0.0	-$1.0	-$1.9	-$1.9	-$3.0	-$3.9	-$4.5	-$4.5	-$5.7
Real Value of Principal Balance	$40.1	$40.4	$39.9	$39.3	$39.7	$39.1	$38.7	$38.6	$39.0	$38.5

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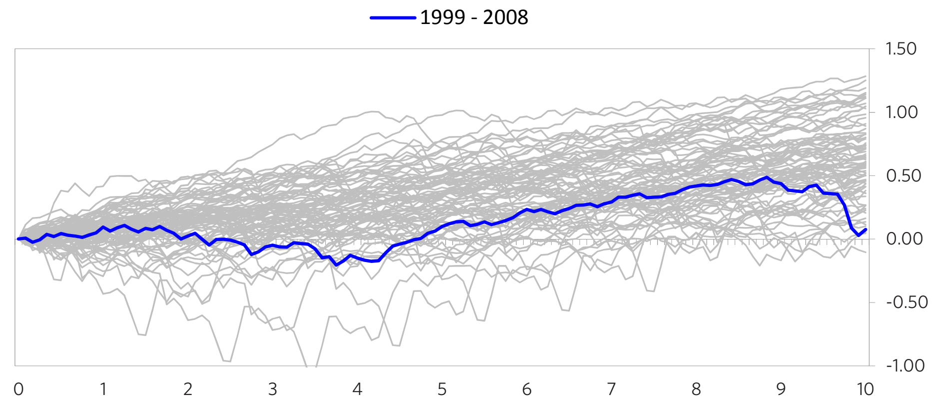
STRESS TEST EXAMPLE: 1999-2008

Stress Test of Returns
(Sim. Historical Returns Adjusted To Current 1.3% Cash Rate)



Tech Bubble + Financial Crisis ('99-'08)

Projection Year Returns Year	2018 1999	2019 2000	2020 2001	2021 2002	2022 2003	2023 2004	2024 2005	2025 2006	2026 2007	2027 2008
Rolling 5yr Fund Size (BOY)	$52.3	$56.0	$57.0	$56.5	$54.5	$53.5	$53.0	$54.1	$57.7	$62.5
Target Distribution (%)	5.25%	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Target Distribution ($)	$2.7	$2.9	$2.9	$2.8	$2.7	$2.7	$2.7	$2.7	$2.9	$3.1
Asset Portfolio Return	9.9%	-6.8%	-6.8%	-9.6%	28.1%	14.2%	5.9%	13.3%	2.0%	-30.1%
Actual Distribution ($)	$2.7	$2.9	$2.9	$2.8	$0.0	$2.7	$2.7	$2.7	$2.9	$3.1
% of Desired	100%	100%	100%	100%	0%	100%	100%	100%	100%	100%
Total Fund Size (EOY)	$63.3	$56.4	$50.0	$42.8	$55.2	$60.7	$62.0	$68.0	$66.9	$44.1
Earnings Reserve (EOY)	-	-	-	-	-	-	-	-	-	-
Economic Surplus (EOY)	$22.3	$14.1	$6.5	-$2.1	$9.9	$14.0	$13.9	$18.3	$15.6	-$8.8
Cumulative Distributions	$2.7	$5.7	$8.5	$11.4	$11.4	$14.0	$16.7	$19.4	$22.3	$25.4
Cum. Expected @ 6.5% Return	$2.7	$5.7	$8.6	$11.6	$14.7	$17.9	$21.2	$24.6	$28.0	$31.5
% of Expected (@6.5% Return)	100%	100%	100%	98%	77%	78%	79%	79%	80%	81%
Cumulative Missed Inf. Payments	$0.0	$0.0	$0.0	$0.0	-$1.0	-$1.0	-$1.0	-$1.0	-$1.0	-$1.0
Real Value of Principal Balance	$40.1	$40.4	$40.8	$41.1	$40.5	$40.9	$41.2	$41.6	$41.9	$42.3

In the analysis above, simulated excess return of the APFC portfolio are added to Bridgewater forward looking cash rate of 1.3%. Each gray line represents a distinct 10-year period, beginning in January 1925. Estimates of the distributions and future capacity measures are based on the cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance, and annual 2.25% inflation proofing payments. For more detail on the APFC modeling assumptions, please refer to the disclosures at the end of the presentation. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. Past performance is not indicative of future results. Please review the “Important Disclosures and Other Information” located at the end of this document.

Appendix

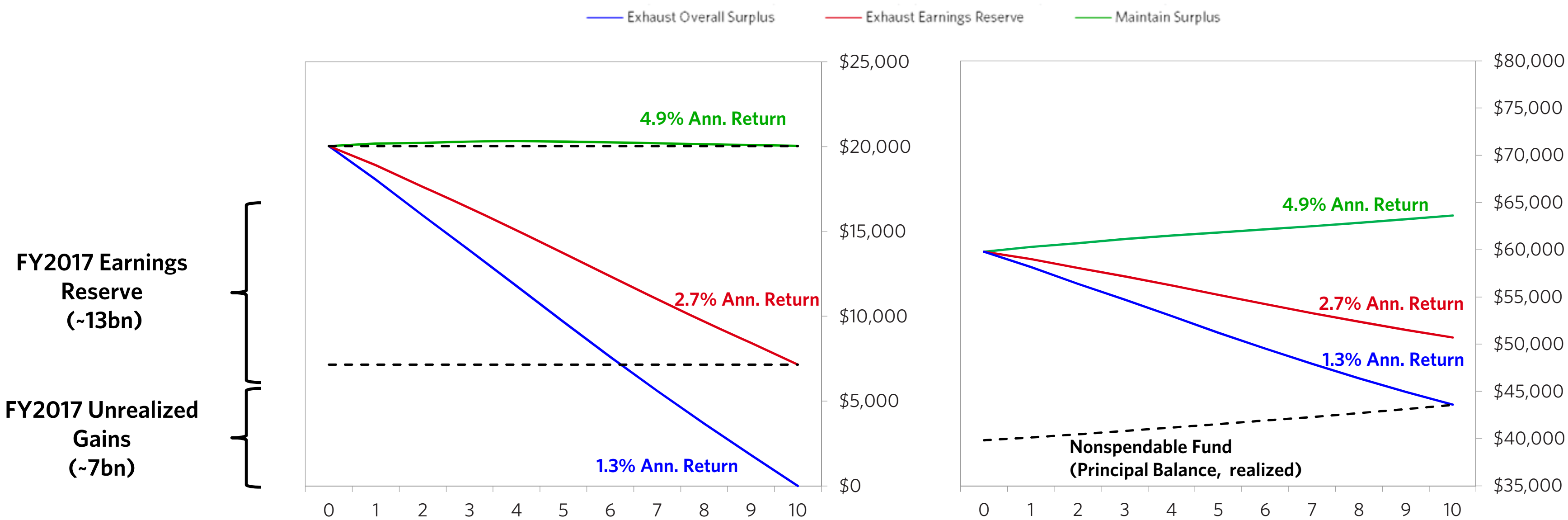
STRESS TEST METHODOLOGY

- **Distributions:**
  - Distributions are calculated as 5.25% of the 5-Year Average of the Total Fund Size in the first 2 years, and 5% thereafter.
  - Distributions are limited by either the size of the earnings reserve (Stress Test 1) or earnings reserve plus current unrealized gains (Stress Test 2). This assessment is made using beginning of year balances.
  - Distributions are prioritized over inflation proofing payments. Partial payments allowed.
- **Other:**
  - Inflation Proofing is assessed on the Principal Fund Balance excluding any Unrealized Gains. Unless otherwise noted, we assume 2.25% annual inflation.
  - Dedicated revenues are provided by APFC for years 1 – 10.
  - Accounting Net Income is approximated using investment returns, applied to the Total Fund Size at the end of the previous period.

YOUR REQUIRED RETURN (ASSUMING NO INFLATION PROOFING)

Expected Path of "Economic Surplus"
(Earnings Reserve + Unrealized Gains)
(No Inflation Proofing; 5.25%/5.00% Distributions)

Expected Path of Total Fund Size



	Assuming No Inflation Proofing	
	Required Return	**Odds of Falling Short**
Exhaust Overall Surplus	1.3%	8%
Exhaust Earnings Reserve	2.7%	16%
Maintain Surplus	4.9%	33%

Note: Probabilities based on Callan Return Estimates

Data shown is based on cash flows provided by APFC and Bridgewater analysis. Assumes 5.25% distributions in years 1 & 2, and 5.00% distributions thereafter, calculated based on the rolling 5-year total fund balance. Probabilities of achieving stated returns are based on Callan assumptions provided by APFC, which indicate a 6.5% total return, 4.25% excess return, and 12.35% annual volatility. There is no guarantee the results shown will be achieved. Please review the "Important Disclosures and Other Information" located at the end of this document.

Important Disclosures and Other Information

Please read carefully the following important disclosures and other information as they provide additional information relevant to understanding the assumptions, research and performance information presented herein. Additional information is available upon request except where the proprietary nature of the information precludes its dissemination.

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Bridgewater's investment process seeks to understand the cause and effect linkages that drive markets over time. To assess and refine its understanding of these linkages, Bridgewater performs historical stress tests across a wide range of timeframes and market environments. From these stress tests, Bridgewater is able to simulate how its strategies would have performed prior to their inception. Because Bridgewater recognize the possibility that it could be wrong, Bridgewater "humbles" its simulations, by systematically adjusting downward the back-tested, simulated results that Bridgewater's current investment logic produces. Because this stress testing is a core component of Bridgewater's investment process, it shares these simulations with current and prospective investors to demonstrate its thinking. However, because they do not demonstrate actual results, these simulations are inherently limited and should not be relied upon to make an investment decision.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

Bridgewater believes that a particular return stream should be evaluated against its expected performance or its benchmark. To that end, Bridgewater demonstrates whether its strategies are operating as expected via a cone chart, which shows the performance of a particular strategy over time relative to the strategy's benchmark and also within bands of standard deviation from that benchmark. Separately, to demonstrate the impact of market conditions on the strategies it manages, Bridgewater explains the macro-economic pressures and market conditions that effected performance in the context of client letters, account reviews, or other publications that Bridgewater provides to each current and prospective investor on a regular basis. Additional information about how Bridgewater thinks about setting expectations for its strategies via a benchmark is available upon request.

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APFC 2018 TARGET PORTFOLIO

This page contains the allocation information for the historical simulation of the APFC Portfolio, from 1925 onwards, as well as forward looking assumptions for expected ratio, volatility, and tracking error used in this analysis. Correlations are based on either historical market returns when available or Bridgewater Associates' estimates, based on other available data and our fundamental understanding of asset classes. The portfolio capital allocation weights (illustrated below) are estimates based either upon Bridgewater Associates' understanding of standard asset allocation (which may change without notice) or information provided by or publicly available from the recipient of this presentation. Asset class returns are actual market returns where available and otherwise a proxy index constructed based on Bridgewater Associates understanding of global financial markets. Information regarding specific indices and simulation methods used for proxies is available upon request (except where the proprietary nature of information precludes its dissemination). Results are hypothetical or simulated and gross of fees unless otherwise indicated. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING OR THE COSTS OF MANAGING THE PORTFOLIO. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN.

Long-Term Assumptions

Investments	Allocation	Beta Return	Beta Volatility	Beta Shape Ratio
Total	86.6%			
Equities				
World Equities	39.0%	4.3%	13.9%	0.31
Active US Private Equity	11.0%	6.2%	25.0%	0.25
Active World Equities	4.8%	4.3%	13.9%	0.31
Add Investment				
Real Estate				
Active U.S. Real Estate	5.0%	4.9%	19.8%	0.25
Active World Real Estate	2.2%	5.4%	17.6%	0.31
Add Investment				
Infrastructure				
Active World Infrastructure	3.6%	4.1%	13.7%	0.30
Active World Infrastructure	1.1%	4.1%	13.7%	0.30
Add Investment				
High Yield Bonds				
Active US High Yield	2.4%	3.5%	11.6%	0.30
Active US High Yield	2.2%	3.5%	11.6%	0.30
Add Investment				
Nominal Government Bonds				
United States Govt Bonds	1.8%	1.1%	4.4%	0.25
Developed World Ex US Govt Bonds	1.1%	1.3%	4.1%	0.31
Add Investment				
Corporate Bonds				
United States Corporate Bonds	5.5%	2.0%	6.8%	0.30
United States Corporate Bonds	1.8%	2.0%	6.8%	0.30
World Corporate Bonds	1.1%	1.9%	5.8%	0.33
Add Investment				
EM Debt				
Emerging Market Debt (US$)	1.1%	4.5%	12.8%	0.35
Add Investment				
IL Bonds				
United States IL Bonds	1.1%	1.6%	6.5%	0.25
Add Investment				
MBS				
United States MBS	1.8%	1.0%	3.8%	0.25
Add Investment				

Executive Session: Simpson Housing LLLP Memo

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Real Estate Investment ACTION: ________

DATE: 12/12/2017 INFORMATION: ___X____

BACKGROUND:
APFC Staff have identified a real estate investment matter that is appropriate for discussion in Executive Session because the immediate knowledge of this matter could have an adverse effect on the value of a Permanent Fund real estate asset.

STATUS:
APFC staff will provide an update and be available to discuss relevant issues.

RECOMMENDATION:
No Board action is requested. The real estate issues described in executive session are only informational.

Opportunities and Limitations for Internal Management of Fund Assets Memo

APFC ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Internal Management of Fund Assets | ACTION: ________

DATE: December 13, 2017 | INFORMATION: X

BACKGROUND:

Russell Read, Chief Investment Officer for the APFC, will coordinate a three-person panel to discuss the opportunities and limitations for internal management of fund assets.

The format will be a Q&A.

"Opportunities and Limitations for Internal Management of Fund Assets"

Mark Wiseman, Managing Director, Blackrock and Former CEO, CPPIB

Daniel Adamson, Managing Director, Wafra

Jim Parise, Director of Fixed Income Investments, APFC

Attachments:

- Wafra – Building In-House Investment Capabilities

a) Wafra – Building In-House Investment Capabilities

AN INSIDE JOB

Building IN-HOUSE Investment Capabilities

WAFRA

Wafra Investment Advisory Group, Inc.

Q4 2016

AN INSIDE JOB:
BUILDING IN-HOUSE INVESTMENT CAPABILITIES

> **Recent years have** seen sovereign wealth funds ("SWFs") increasingly moving away from asset managers in order to build out their own internal investment teams. The billions of dollars in outflows from external asset managers may save investors on fee payments, but building the internal capabilities to perform like external managers creates a host of challenges for sovereign investors. These challenges may include new governance models, institutional commitment, replicating best-in-class performance and the ability to source and compensate appropriate talent.

> **Many sovereign and institutional** investors are currently building out their internal capabilities, and this strategic change has coincided with the rise of institutional partnerships and platform investing. Leading institutions, like the Ontario Municipal Employees Retirement System ("OMERS"), Singapore's GIC, Kuwait Investment Authority and Canada's Caisse de Depot et Placement du Quebec ("CDPQ") are using various types of investment platforms to share and leverage expertise, while seeking to minimize fees.

> **From the initial decision** through the final implementation, developing in-house investment teams requires asset owners to assess which amount of investment independence is appropriate for their institution. Partnerships and platform investing constitute important — and potentially valuable — investment strategies for institutional investors.

WHY BRING INVESTMENT ACTIVITIES IN-HOUSE?

> **As a first step towards** developing in-house investment capabilities, SWFs need to develop clearly defined goals regarding what they hope to gain by investing directly. There are numerous potential benefits to developing internal investment capabilities, which increase as an institution disintermediates external managers.

Higher Net-of-Fees Returns

> **Moving away from third-party** asset managers may provide greater returns for SWFs. Private asset managers have come to be known for their hefty fees, which have recently resulted in billions of dollars' worth of SWF outflows.[1] Even if gross performance is below that of external managers, the absence of fees may produce greater net returns.

> **The State of Wisconsin Investment Board** recently began to decrease its reliance on external managers and saved about $63 million in fees in 2015, while the Michigan Department of Treasury, Bureau of Investments, has reported annual savings of $20-30 million by in-housing 35% of its portfolio.[2]

[1] *"Sovereign Wealth Funds Pull at Least $46 billion from Asset Managers." Financial Times, 20 February 2016.*

[2] *"Low Returns, Fee Scrutiny Drive Rise of Pension Fund Insourcing." Pensions & Investments, 13 June 2016.*

Greater Alignment by Reducing Principal-Agent Conflicts

> **Moving investment operations** in-house can increase alignment of the investment teams with the needs of SWFs. For example, it may remove the incentive to simply increase investment size (and therefore management fees) in cases where that may not be in the institution's interests.

> **Australia's FutureFund** has outlined further principal-agent risks, including the temptation of external managers to over-diversify their portfolios in an effort to avoid risk and protect their interests, despite the investor's strategic asset allocation necessitating such risks.[3] To mitigate this misalignment, asset owners must develop the internal capabilities to understand the underlying investment strategies and clearly voice their preferences to external managers.

Greater Access to Certain Assets

> **As SWFs seek direct investments,** they may be able to gain access to deals that would not otherwise be available to third-party managers. Consortia of SWFs and other public institutional investors like pension funds are increasing in number and acquiring assets like airports, which may otherwise be too expensive for third-party managers to access.

> **In early 2016, a consortium** of OMERS, the Kuwait Investment Authority and the Ontario Teachers' Pension Plan acquired the company that owns and operates London City Airport for about $2.8 billion.[4] The sheer size of this single transaction eliminated the vast majority of external investment managers from contention, perhaps resulting in added value for the SWF consortium.

3 *"Reshaping the Institutional Investment Industry: The Role of Sovereign Wealth Funds and Other Asset Owners." Australia FutureFund, 30 September 2015.*

4 *"London City Airport Acquired by Kuwait SWF and Canadian Pensions." Sovereign Wealth Fund Institute, 26 February 2016.*

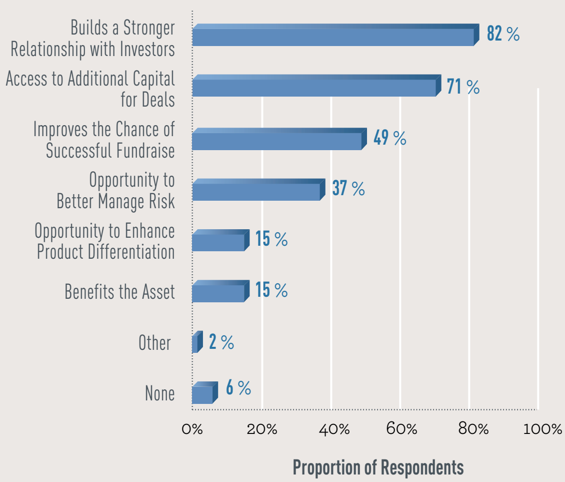
Greater Bargaining Power

> **The development of internal capabilities** could increase bargaining power with third-party managers, as SWFs could have credible internal alternatives to externally managed accounts. As co-investments with external managers may incur management fees of 1% and a carry of 10% — and no fees for direct investments — institutional investors are often able to negotiate lower fees, greater control and/or demand for higher targeted performance from external managers.

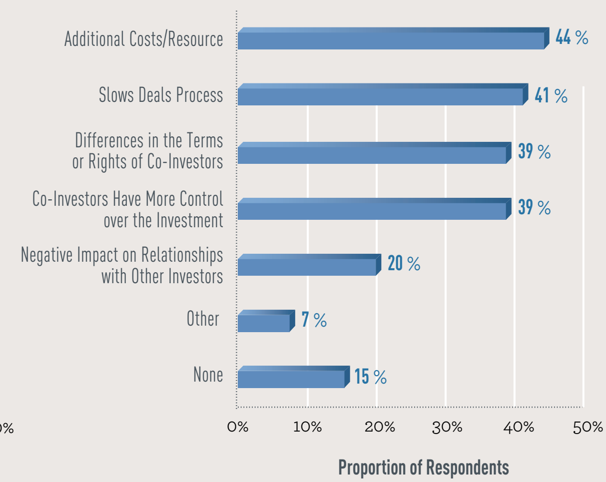
> **Dutch pension fund PGGM** built out its in-house private equity capabilities and has publicly sought to gather other asset owners to push private equity managers for lower fees, specifically designing deals to avoid private equity fees.[5]

5 "Pension Fund Designs Deal to Avoid Private-Equity Fees." The Wall Street Journal, 24 July 2015; "PGGM Calls Out Money Management Fees." Pensions & Investments, 6 August 2015.

Fund Manager's Perceived BENEFITS of Offering Investors Co-Investment Rights



Fund Manager's Perceived DISADVANTAGES of Offering Investors Co-Investment Rights



Source: Preqin Fund Manager Survey, H2 2015

New Insights that Can Improve Overall Investment Decisions

> **Growing internal investment activities** may lead to insights across other industries and asset classes. For example, how might investing in a VC opportunity in the automated car space lead to insights about specific real estate markets, from parking facilities to shipping and logistics to suburban housing?

More Responsive Portfolio

> **Developing internal capabilities** that have deep institutional knowledge may provide a more responsive portfolio that is a better match with liabilities and market conditions. More institutional independence allows for greater agility in investment decisions and strategies, which naturally evolve with an institution's needs.

> **For example, GIC has developed** a Risk and Performance Management Department ("RPMD") that ensures the investment risks undertaken by GIC's internal investment teams are in line with its overall mandate. The RPMD regularly monitors investment strategies, assessing their respective risk profiles, ensuring consistency with funding assumptions, and providing timely feedback to senior investment professionals who can make any necessary adjustments.

LEVELS OF INDEPENDENCE

> **The potential benefits of developing** in-house capabilities at SWFs are clear; however, institutions must still decide on what level of independence they hope to achieve — and which would be optimal. There are several levels of investment independence, including complete reliance on external managers, co-investments with external managers, partnerships with other asset owners, and fully in-house investment teams.

Models of Direct Investing

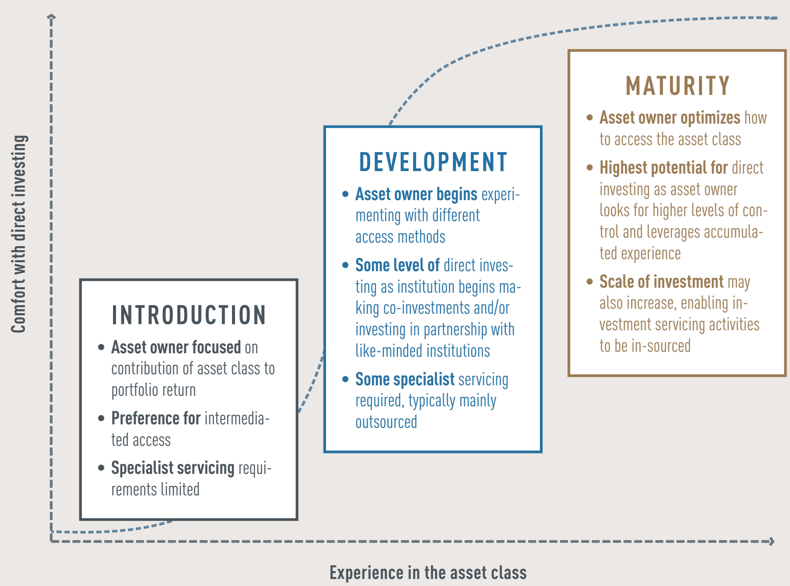
Asset owner engagement (HIGHER ↑ / LOWER ↓)	RESEARCH	SELECTION SOURCING & DUE DILIGENCE	INVESTMENT DECISION	FINANCING	ONGOING ASSET MANAGE-MENT	ASSET SALE OR EXIT
SOLO INVESTMENT	Internal	Internal	Internal	Internal	Internal	Internal
PARTNER-SHIPS *	Internal or delegated	Internal or delegated	Internal or shared	Internal or shared	Internal or shared	Internal
CO-INVEST-MENT *	Delegated or Internal	Delegated	Internal	Internal	Delegated or Internal	Delegated or Internal
TRADITIONAL DELEGATED MODEL	Delegated	Delegated	Delegated	Delegated	Delegated	Delegated

*** Note:** Varying levels of asset owner involvement/discretion observed in these models

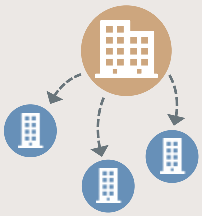
Source: Oliver Wyman

> **It is important to note that the different levels** of direct investment are not mutually exclusive, and an organization can have full in-house investment teams while seeking to partner with other asset owners and managers. Generally, however, SWFs that are completely reliant on third-party managers at present must gradually pass through each investment model in order to fully develop their in-house capabilities.

Overview of How an Institution's Experience with Direct Investing Might Evolve



Source: World Economic Forum



The Fully-Outsourced Model and a Changing Landscape

> **Many SWFs have traditionally outsourced** the vast majority of investment activities, from initial research and due diligence through the investment decision and ultimate exit from the asset. Large asset owners have generally not been able to provide the same amount of compensation to their investment professionals as major financial institutions, with notable exceptions including GIC and Ontario Teachers' Pension Plan Board. However, reforms in the aftermath of the Global Financial Crisis often resulted in lower pay, greater regulatory burden and downsizing in certain Wall Street firms. This dynamic led to an opening where large asset owners were able to attract capable, front-office talent in instances where they may have otherwise not been able to afford them.

> **In addition to the changing dynamic** in compensation, many Wall Street firms have also seen decreasing returns as alpha has steadily been crowded out with the growing numbers of investors, leading asset owners to look for cheaper alternatives that may focus on managing beta. Further, strategies that allow asset owners to deploy large amounts of capital with relatively small deal teams that are more easily in-housed, like infrastructure, have become increasingly popular.

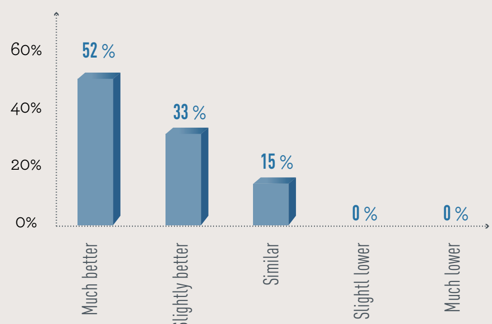
> **The changing dynamics in compensation,** investment returns and deal team sizes have created an opening for asset owners to develop internal investment teams, which asset owners are increasingly pursuing.

> **For those asset owners pursuing the traditional investment model,** fully outsourced investment activities tend to result in the highest amount of fees, along with the lowest amount of independence or engagement for the institution. Despite these drawbacks, there are successful cases of fully outsourced investment strategies, like the Yale Investments Office. Because of its superb reputation and investment cache, Yale is often able to obtain more attractive fee terms and access to better managers than other institutional investors. While the fully outsourced model works well for Yale, it may not be as successful for others.

Co-investment Model

> **Co-investment is often the first step** towards developing greater in-house investment capabilities. In this model, institutional investors may directly invest in assets sourced by third-party managers, giving institutions access to the underlying assets of a fund without being charged fees. In order to co-invest, SWFs must perform their own secondary due diligence on the assets in question, making quick investment decisions not required in the fully-outsourced model. Co-investing allows institutions to avoid the fees associated with asset management as well as the costs of building out a full investment team, which may be the reason for co-investment's increased popularity in recent years.

LP perception of the performance of PE co-investments compared to fund investments



Source: World Economic Forum (2015)

Partnership Model

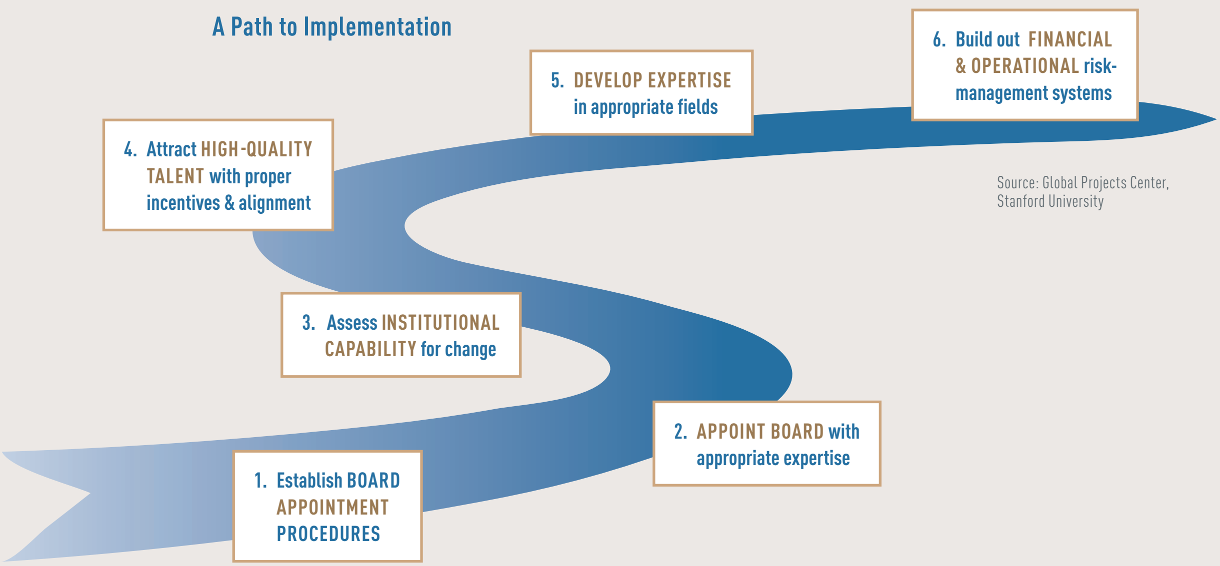
> **An institution can partner with other asset owners** or managers in any number of ways. Generally, partners work together to source deals, share costs and retain the right to make important investment decisions. As partnerships require deal sourcing and greater involvement with investments, institutions must first build out more robust investment teams to handle increased responsibilities.

> **More formal partnership agreements** can include a consortium or platform company in which partners face complex challenges of governance and risk. The complexities of the partnership model can make it difficult to adopt and/or replicate, as each institution carries its own idiosyncrasies and preferences. Even with these challenges, there are a number of partnership models actively investing or in the process of formation, showing that many institutional investors still believe that the potential benefits of partnerships outweigh the challenges.

Fully In-House Model

> **Some institutions choose to move investment activity** fully in-house, meaning that the institution itself is responsible for each step of the investment process. This approach maximizes institutional independence, minimizes fees, and avoids the complications of complex partnership structures. However, many institutions do not or cannot fully develop their internal capabilities due to reasons like cost, lack of proper governance or institutional will, and scarcity of human capital.

INITIAL CHALLENGES TO DEVELOPING INTERNAL INVESTMENT CAPABILITIES



Source: Global Projects Center, Stanford University

Human Capital

> **The path to greater internal investment capability** begins with attracting and nurturing the appropriate professionals who can lead the organization through this transition. Establishing clear Board appointment procedures that encourage the appointment of qualified, dedicated Board members is essential. As institutions become more independent from external managers, they will increasingly need to rely on their Boards both for expertise and for quick action on investment decisions. A competent and dedicated Board is the essential

groundwork for a broader development of institutional capabilities. Once constituted, the Board must assess the institutional appetite for change and the extent to which the institution *can* and *should* change.

> **From here, the Board** must attract front-office talent with appropriate financial and extra-financial incentives that closely align the investment team with the goals of the institution. Often forgotten — but no less important — is the need to build out middle and back-office resources to support the front office and ensure a smooth operational transition.

Processes

> **After attracting talent, institutions should establish** appropriate systems for managing financial risks, potentially requiring a chief risk officer and a dedicated risk team. This team's role, in part, would be to develop compliance and control processes, while also minimizing the amount of bureaucratic burden. Even the highest quality front-office talent can make major mistakes if proper processes and back-office support are not in place.

> **Further, SWFs are public institutions** that may not be accustomed to the levels of efficiency and accountability required to generate the types of returns available with third-party managers. Encouraging a culture of responsibility, efficiency, accountability and high performance is therefore important to the overall development of an in-house investment model.[6]

Infrastructure

> **Leadership at institutional investors** should be ready to invest in the development of data systems that allow management to assess risk exposures, as well as other technologies required to support investment activities. It should be noted that partnerships and brand and deal-origination networks can be considered infrastructure for in-house capabilities.

[6] *"Principles and Policies for In-House Asset Management." Global Projects Center, Stanford University.*

STRATEGY EVALUATION

> **SWFs should evaluate each investment strategy** to determine whether and to what extent increased independence would be an optimal solution. Each strategy that an institutional investor considers moving in-house will have its own trajectory but face a similar set of challenges at each step along the way.

> **Generally, for each strategy there are five sets of challenges:** expertise, alignment, organizational capacity, deal origination and risk management. Each of these five challenges needs to be addressed continually throughout the process of organizational transformation, whether such transformation is towards or away from greater in-house responsibilities.

A Scorecard for Continuous Evaluation

STRATEGY 4

STRATEGY 3

STRATEGY 2

STRATEGY 1

	External managers	Co-invest with external managers	Partnerships with other asset owners	Fully in-house
EXPERTISE / TALENT				
COMPENSATION / ALIGNMENT				
ORGANIZATIONAL CAPACITY				
DEAL ORIGINATION				
RISK MANAGEMENT				

HIGHER ← RELIANCE ON THIRD PARTIES → LOWER

- **Evaluating each potential investment** approach provides institutions clarity regarding which strategies work or could potentially work. The goal of the scorecard is not to simply increase internal capabilities; rather, the scorecard should help institutions determine what the optimal investment approach is for each strategy.

- **For example, if a remotely-located SWF** had an effective strategy that relied entirely on external managers, switching to a more independent approach without access to similarly effective internal talent (or alignment, organizational capacity, etc.) may not be advisable. In contrast, Wafra Investment Advisory Group Inc., which is based in New York City, was able to build out its talent, organizational capacity and other infrastructure before starting to co-invest with external managers and entering into investment partnerships. Some actors with fully in-house teams may also seek less independent strategies, like partnerships, in order to enhance deal flow or gain other benefits.

- **Understanding institutional performance and capabilities** can allow SWFs to determine whether and to what extent they should develop internal investment strategies.

WHAT QUESTIONS ARE WORTH ASKING?

What are your organization's "competitive advantages"?

> Do you have a particular **geographic or asset class expertise** that could create easier entry into a specific investment style?

> If you have **already taken full advantage** of this edge with respect to your own portfolio, should you syndicate these opportunities with other asset owners?

> How could **peer-to-peer partnerships** enable you to benefit from expertise given geography or asset class?

What Is Your Organization's "Governance Budget"?

> How suited is your **current governance** for the management of in-house investment teams versus work with third parties?

> **Does senior leadership have the time** or expertise to adequately supervise? Is this the best use of their time/skill set?

> Is the organization **capable of taking political or "headline" risk** of short-term performance fluctuations due to in-house decisions?

What is your business plan for bringing investing in-house?

> Do you have the **runway and budget** to spend years investing internally before the results prove out?

> Are your **organization's goals within reach** without taking the risks associated with changing your basic business model?

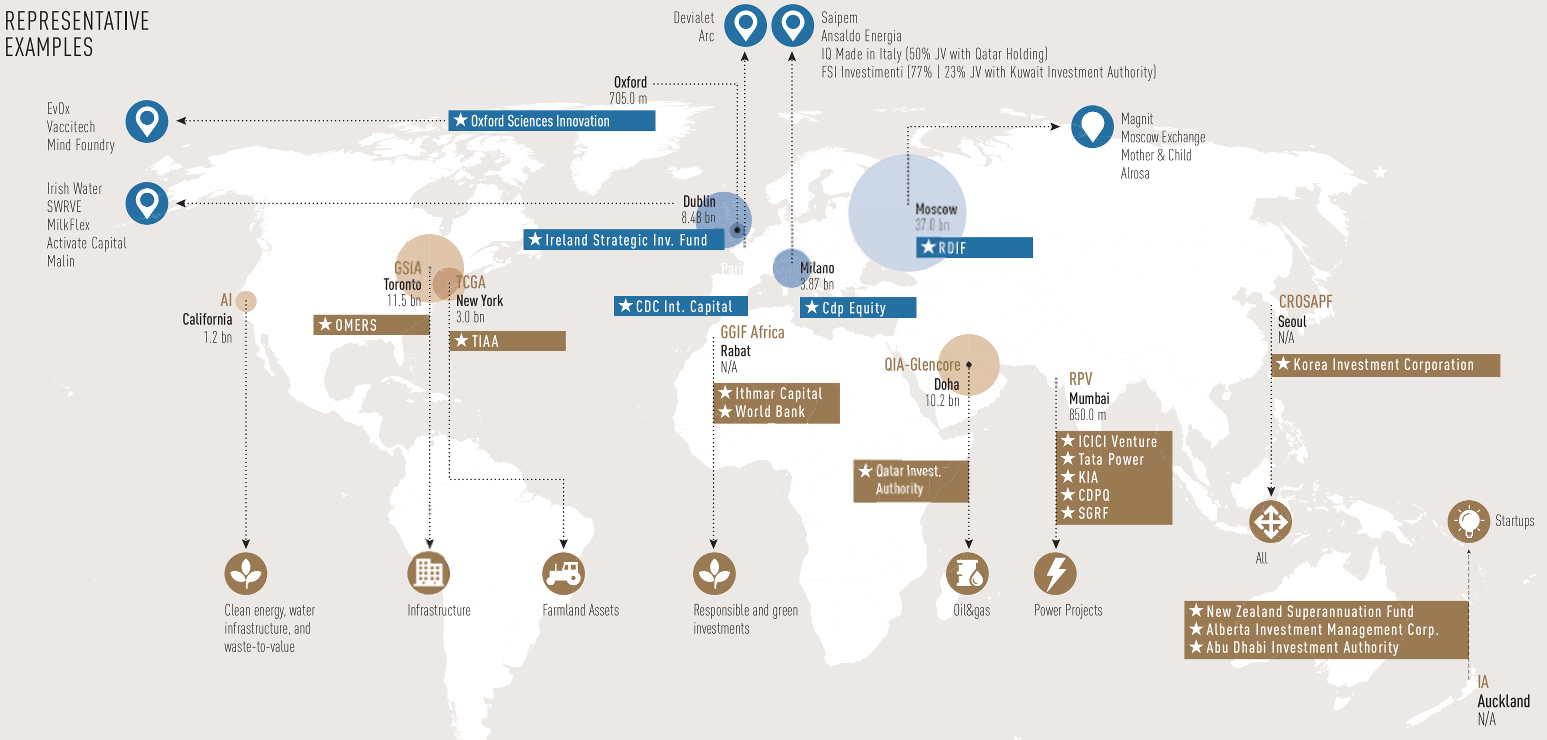
> Are there **lower-cost partnerships between asset owners** that could help you achieve the same allocation objectives?

> Does your institution have a **clearly-defined benchmarking process** to measure the success of in-housed activities (i.e. how will your institution define "success")?

PEER ACTIVITY AMONG SOVEREIGN WEALTH FUNDS

Institutional Investment Platforms

REPRESENTATIVE EXAMPLES



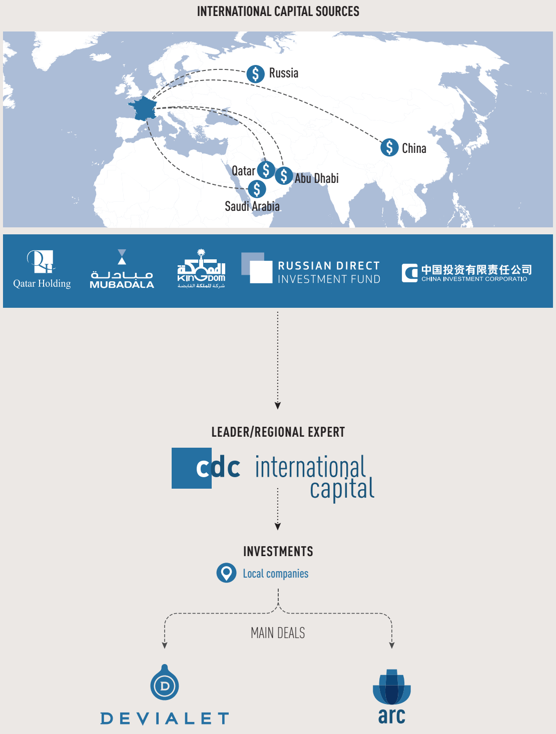
AI - Aligned Intermediary GSIA - Global Strategic Investment Alliance TCGA - TIAA-CREF Global Agriculture RPV - Resurgent Power Ventures CROSAPF - Co-investment Roundtable Of Sovereign And Pension Funds IA - Innovation Alliance GGIF Africa - Green Growth Infrastructure Facility for Africa

Source: Javier Capapé, IE Business School

IN DETAIL

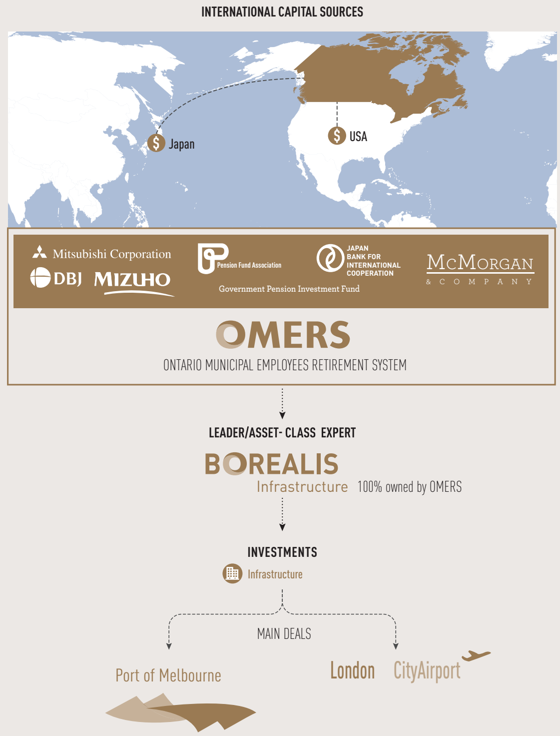
CDC INTERNATIONAL CAPITAL (France)

Established in 2014 | Size TOTAL CAPITAL, US$ 1.2 BN



GLOBAL STRATEGIC INVESTMENT ALLIANCE (Canada)

Established in 2011 | Size TOTAL CAPITAL, US$ 12.5 BN



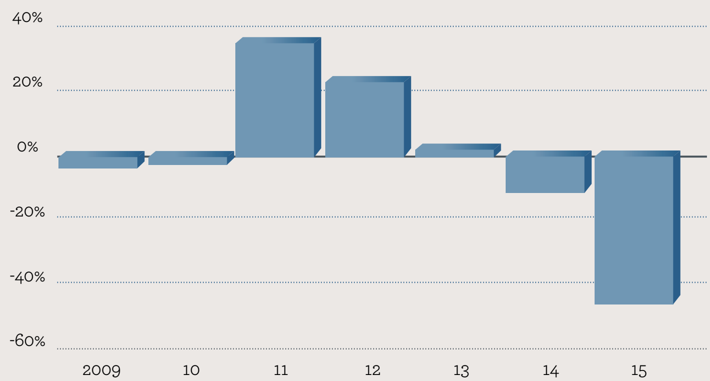
Source: Javier Capapé, IE Business School

> **As mentioned above, there is currently** extensive activity among SWFs to build internal investment capabilities and develop partnerships with other asset owners. The past three years have seen massive outflows of sovereign capital from private asset managers, with 2015 alone seeing $46 billion in outflows as part of a broad effort to lower costs. This capital has largely been shifted to internal management, as sovereign wealth funds increased their percentage of internally-managed AUM to 42% in 2015 (from 31% in 2013).[7]

7 "Sovereign Wealth Funds Turn to Internal Fund Management -Invesco." Reuters, 10 June 2015.

Sovereign outflows hurt asset managers

Net flows from sovereign funds ($bn)



Source: eVestment

> **One such example of this movement toward in-house investment** is the Alaska Permanent Fund Corporation, a $53 billion sovereign wealth fund that is shifting its hedge fund allocations to a completely direct investment model.[8] In mid-2016, Alaska Permanent decided to bring its $2 billion allocation to hedge funds in-house, liquidating its positions with Crestline Investors, Mariner Investment Group and Lazard Asset Management. Before liquidating its externally-managed positions, Alaska Permanent first developed its internal capabilities by building a small team with the depth to adequately allocate sizeable amounts of capital to hedge funds, directly.

> **Other funds, from AustralianSuper and OMERS** to the Abu Dhabi Investment Authority and Norges Bank, have also been moving more of their investment activities in-house. One notable exception to this trend, however, is the Qatar Investment Authority, which decided in 2016 to increase its exposure to Asia and North America through external managers.

8 *"Alaska Permanent Fund to Move Hedge Funds of Funds In-House." Pensions & Investments, 29 June 2016.*

Moving to Platforms

> **Institutional investors seeking greater independence** can pursue a number of investment strategies, including the development of partnerships with other asset owners. The increasing internal capability of institutional investors has coincided with the rise of investment platforms, in which asset owners integrate industry experts or peer institutions to a greater extent than they would in more traditional investments. Platform investments allow institutional investors to avoid fees and increase their independence, while gaining access to external expertise, more capital, enhanced prestige and greater deal flow.

> **As mentioned above, platform investing** can either be with industry experts (vertical) or with peer institutions (horizontal), depending on the benefits that an institutional investor seeks. For example, whereas asset owners might have traditionally invested in a fund that targets emerging-market infrastructure, a platform investment might consist of a co-investment (via a platform company) with a Chilean construction company, leveraging its expertise while seeking to ensure its success.

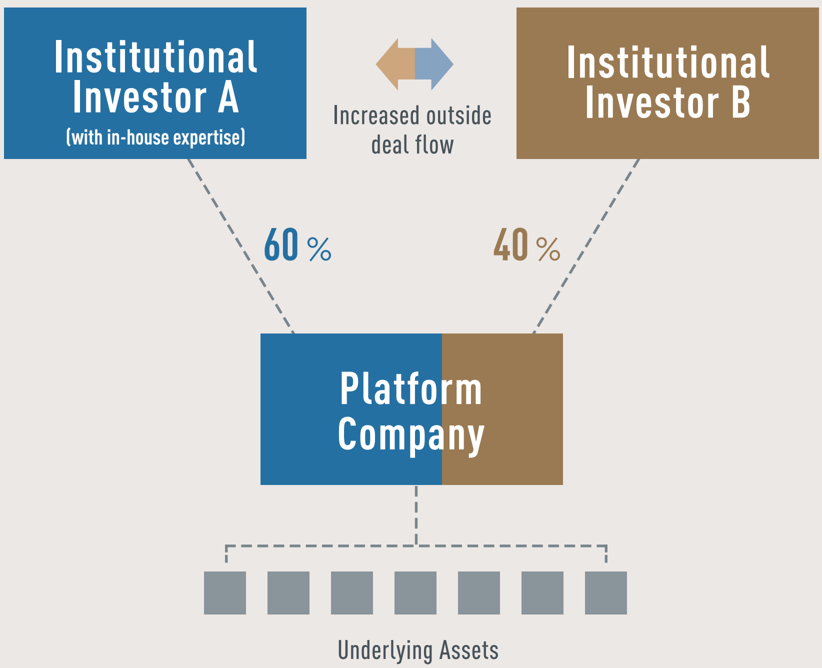
> **As asset owners continue to build out** their internal capabilities in search of alternatives to third-party asset managers, we expect that the use of platform investment strategies will increase. The increasing pace of globalization is pushing institutional investors to expand their presence across the globe, weakening geographically-based expertise and advantages (except in some far-flung geographies).

Peer Activity among Sovereign Wealth Funds

	SOLO	PARTNERSHIPS
GEOGRAPHICAL	**ASSET OWNERS who partner with industry experts** to take advantage of their location, gain access to local opportunities, or build local capabilities without collaborating with other asset owners. **Example:** Abu Dhabi's Mubadala has used platform strategies with Boeing and General Electric to benefit and diversify the UAE's economy.	**ASSET OWNERS who leverage their location and network** to gain access to local opportunities, inviting other asset owners to bring capital and/or expertise. **Example:** The Ireland Strategic Investment Fund's partnership with the China Investment Corporation to support a technology growth capital fund that assists Irish startups.
ASSET BASED	**ASSET OWNERS who seek to integrate further into a particular industry /asset** class and partner with the appropriate industry experts to gain access. **Example:** TIAA has acquired stakes in asset managers that focus on agriculture, investing about $8 billion on a global scale.	**ASSET OWNERS who develop investment expertise in a specific asset class,** inviting partners to bring capital and/or further expertise. **Example:** Canada's OMERS creating the Global Strategic Investment Alliance, which invites other asset owners to into a consortium investing in infrastructure around the world.

> **There is also a movement towards greater collaboration** between institutional investors. The low-alpha environment has pushed large institutional investors to expand from public equities and bonds into asset classes where they can utilize their re-lative advantages, such as the ability to absorb large ticket prices and long investment time horizons. Pooling assets from large institutional investors with similar profiles can increase higher-alpha investment opportunities that may be too costly or long-lived for other investors. Further, the growing in-house capabilities of sovereign investors have resulted in greater industry expertise among asset owners, leading to an asset-specific specialization that can attract other sovereign or institutional partners.

Sample Platform Framework



> **For example, OMERS has steadily developed** an in-house expertise in infrastructure and built out a consortium of institutional investors who can opt into certain infrastructure transactions sourced by OMERS.[9] This investment structure, called the Global Strategic Investment Alliance, allows other institutional investors to leverage OMERS' expertise, gain greater control over the investment process, and sidestep the fees associated with an infrastructure fund.

> **We believe that these benefits** of institutional collaboration, as well as increasing globalization, are pushing institutional investors towards asset-based partnerships with their peer institutions.

9 "OMERS Infrastructure Program Writes New Page in Investing." Pensions & Investments, 1 September 2014.

THE EFFECTS OF INSTITUTIONAL COLLABORATION AND PLATFORM INVESTING

> **Increasing collaboration among sovereign and institutional investors** may positively impact the financial world in a number of ways. First, in searching for an investment approach that compliments the long-term nature of sovereign and institutional investors, collaborative groups of institutional investors may prefer longer-term investments to shorter-term investments.

> **Further, capital-intensive and/or illiquid asset classes** with high demand for investment, like infrastructure, may benefit from large, long-term pools of capital that institutional partners seek to deploy. As global infrastructure needs $3.3 trillion in annual investment through 2030,[10] groups of institutional investors could have an enormous and positive impact on communities throughout the world, while accessing a potentially lucrative and stable asset class.

> **Institutional partnerships could also have broader effects** on the market if the stakeholders demand certain environmental, social and governance ("ESG") standards on their investments. ESG standards can produce both financial and societal benefits, while also serving as a risk-management tool. Given the significant amounts of capital that these collaborative platforms deploy, the broader market might consider adopting higher ESG standards in order to attract institutional capital. This would be similar to the "California Effect", which is named for the phenomenon in which California's regulatory standards end up being adopted by industries on a nation-wide basis because of the significant market that California represents.

> **Institutional collaboration could therefore encourage** long-term investing, benefit areas of societal importance and raise corporate standards across the market.

[10] *"Bridging Global Infrastructure Gaps." McKinsey & Company, 2015.*

Executive Advisory and Research at Wafra

The Executive Advisory and Research Division at Wafra develops financial and strategic solutions for non-U.S. pension funds, sovereign wealth funds and other sophisticated institutional investors. We provide informed guidance on strategic asset allocation, risk management, organizational structure, and other complex challenges. Our clients look to us to enhance the performance of existing investments and to design and implement customized products, drawing on expertise from across Wafra. Within Wafra, we support new product initiatives, drive business development efforts, manage specialized investment vehicles, and provide our investment teams with insights on trends in global industries and financial markets.

Management Team

RICHARD SAFRANEK

Executive Vice President of Wafra

Richard Safranek is an Executive Vice President of Wafra and Head of the Executive Advisory & Research Division. Prior to joining the Executive Advisory and Research division, Mr. Safranek served as a portfolio manager within Wafra's Securities Division where he covered equity markets in the Asia-Pacific and Emerging Markets regions. Before joining Wafra in 1995, Mr. Safranek served as an investment analyst at World-Wide Investment Co., Ltd., a Hong Kong-based family office. Mr. Safranek has an MBA from Columbia University, a B.A. in International Relations from Johns Hopkins University, and completed a Chinese language program at the Beijing Foreign Language Institute.

DANIEL ADAMSON

Managing Director

Daniel Adamson is a Managing Director in Wafra's Executive Advisory and Research Division. He is primarily focused on developing financial and strategic solutions for sovereign investors and pension funds. Previously, Mr. Adamson held senior positions at Ares Management and Bridgewater Associates. He began his career at McKinsey & Company. Mr. Adamson earned a B.A. summa cum laude from Yale University, an M.Phil. in Politics from Oxford University, where he was a Marshall Scholar, and a J.D. from the Yale Law School.

JONATHAN AZAR PRIDE

Senior Associate

Jonathan Azar Pride is a Senior Associate in Wafra's Executive Advisory and Research Division, where he focuses on research, and providing strategic financial consulting services to institutional investors. Prior to joining Wafra, Mr. Pride was an Associate at Latham & Watkins LLP, providing legal counsel to corporate clients in the U.S., Europe and the Middle East. He received his B.A. summa cum laude from the University of Georgia and his J.D. from Harvard Law School, and he speaks French and Arabic fluently.

MARTIN LUJAN

Associate

Martin Lujan is an Associate in Wafra's Executive Research & Advisory Division, where he specializes on research, business development and investment opportunities across functional areas. Prior to Wafra, Mr. Lujan worked at Barclays PLC in Equities Trading, and in the investment management divisions of Goldman Sachs and GMO LLC. Mr. Lujan holds an MBA from the MIT Sloan School of Management, and a B.A., magna cum laude, in Finance and Economics from the University of New Mexico.

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Compensation Review Memo

APFC ALASKA PERMANENT FUND CORPORATION

801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

SUBJECT: Personnel Management Program Updates

ACTION: X

DATE: 12/12/2017

INFORMATION: ________

BACKGROUND:

Annually the Human Resources Manager will review in partnership with the Executive Director the PMP – Employee Handbook. The bulk of the changes were formatting Significant changes will be noted in the Memo below.

STATUS:

- References to Building Name changed to Michael J Burns Building
- Timing of Performance Evaluations generalized to 4th Quarter of Calendar year from December 1st.
  - Legacy timing did not provide enough time to complete performance evaluations timely to have State of Alaska paperwork to DOA Payroll Division
- Clarified Holidays to identify Stock/Bond Market Holidays
- Section Changes
  - Title changed from 'Compensation Program' to 'Compensation Philosophy & Structure'
  - Recruiting section paired down to general steps providing more flexibility as technology and recruiting sources become more or less effective
  - Locks Section included under Building Security

2018 – Payband & Job Title/Classification updates (Pending Approval)

RECOMMENDATION:

Approval of 2018 – PMP Employee Handbook

a) Presentation: Compensation Review

APFC ALASKA PERMANENT FUND CORPORATION

Human Resources Update

PMP Updates

PMP Updates

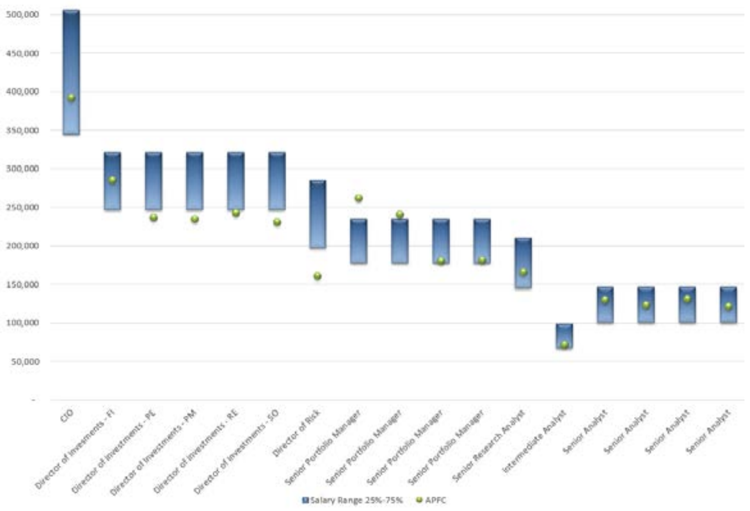
Memo contains major changes, additional changes tracked in PMP document.

Highlights:

- Updated branding
- Revised salary structure

How have things changed?

Market Data – Base Salaries 2015



Executive & Investments

Survey Match	Competitive Market (75% Public / 25% Private)						Quartile Positioning	
	Salary			Total Cash				
	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	Salary	T. Cash
CIO	$331	$378	$441	$462	$767	$1,303	2	4
ED without CIO Resp	261	361	447	392	704	1,444	3	4
CLO	200	249	282	238	378	499	3	4
CFO	174	240	290	222	324	614	3	4
	$966	**$1,228**	**$1,460**	**$1,315**	**$2,174**	**$3,860**	3	4
	16%	*-9%*	*-23%*	*-15%*	*-48%*	*-71%*		
Hd of Inv Area - Fixed Income	$220	$254	$290	$347	$482	$719	1	4
Sr PM I - Fixed Income	163	193	225	242	345	449	1	3
Hd of Area/Asset Class - Real Estate	198	226	272	307	362	485	2	4
Sr PM I - Fixed Income	163	193	225	242	345	449	1	3
Hd of Area/Asset Class - Equity	205	261	312	359	457	763	3	4
Hd of Area/Asset Class - Equity	205	261	312	359	457	763	3	4
Hd of Area/Team Leader - Priv EQ	205	243	296	254	382	503	3	4
Sr PM I - Real Estate	181	205	221	255	399	505	3	4
Sr Mgr / Sr PM I	163	201	240	254	387	531	3	4
Sr PM II - Fixed Income	116	138	166	163	238	295	1	3
Sr Risk/Inv Strat	111	139	172	148	199	261	2	3
Sr PM II - EQ	133	156	210	194	257	369	3	4
Sr PM II - EQ	133	156	210	194	257	369	3	4
Sr Port Analyst / Port Analyst	75	85	96	82	95	113	1	1
Sr Portfolio Analyst	78	88	117	100	119	140	1	2
Sr Portfolio Analyst	78	88	117	100	119	140	1	2
Sr Port Analyst / Port Analyst	75	85	96	82	95	113	1	1
Sr Port Analyst / Port Analyst	75	85	96	82	95	113	1	1
Interm Analyst - Ext Inv	72	81	95	77	92	107	2	3
Interm Analyst - Ext Inv	72	81	95	77	92	107	2	3
	$2,722	**$3,221**	**$3,864**	**$3,918**	**$5,277**	**$7,291**	2	4
	34%	*13%*	*-6%*	*-7%*	*-31%*	*-50%*		

Finance & Operations

Survey Match	Competitive Market (75% Public / 25% Private) Salary 25th Percentile	Salary Median	Salary 75th Percentile	Total Cash 25th Percentile	Total Cash Median	Total Cash 75th Percentile	Quartile Positioning Salary	Quartile Positioning T. Cash
Hd of IT	$148	$183	$214	$182	$243	$367	4	4
Hd of Plan Admin/Ops	103	121	145	113	141	184	2	2
Dept/Func Head - Fin & Acct	125	147	173	167	200	265	3	4
Hd of Media/PR	117	154	205	154	188	276	3	4
Team Lead/Supv - Fin & Acct	86	95	103	96	115	126	1	3
Hd of Infrastructure	133	146	175	150	189	324	4	4
Hd of HR	130	182	225	153	212	268	4	4
Sr Tech Exp - IT Dev	97	103	108	100	118	130	4	4
Team Lead/Supv - Fin & Acct	86	95	103	96	115	126	3	4
Supv, Sec Ops	68	77	105	77	88	112	2	3
Hd of General Services	106	122	138	109	142	164	4	4
Interm Inv Perf Analysis & Complianc	57	72	82	65	73	84	3	3
Specialist, Sec Ops	58	67	75	63	71	80	3	3
Interm Staff - Fin & Accounting	54	60	67	57	63	71	2	3
Interm Staff - Fin & Accounting	54	60	67	57	63	71	2	3
Sr Admin Asst	47	53	60	50	56	65	1	2
Purchasing Asst	47	59	65	47	62	67	3	3
Admin Asst	39	45	50	42	46	52	1	1
Infra Staff - Network Sys Admin Spec	53	60	68	52	59	67	4	4
Exec Dir's Asst	69	78	89	73	84	105	4	4
	$1,675	**$1,977**	**$2,316**	**$1,903**	**$2,329**	**$3,004**	3	4
	4%	*-12%*	*-25%*	*-8%*	*-25%*	*-42%*		
	$5,363	**$6,426**	**$7,640**	**$7,135**	**$9,780**	**$14,155**	2	4
	21%	*1%*	*-15%*	*-9%*	*-33%*	*-54%*		

Changes based on consultant data

Positions	Department	Current Classification	Current Salary Level	Reccomended Salary Level
Administrative Specialist - General	Admin	O-04	4	3
Accountant	Finance	O-06	6	4
IT Desktop Support	IT	O-06	New	5
Accountant II	Finance	O-05	7	5
IT Desktop Support II	IT	O-06	New	6
Performance & Compliance Analyst	Finance	O-06	New	6
Sr Operations Analyst	Finance	O-07	7	6
Compliance Officer	Finance	O-07	New	7
Sr Operations Analyst II	Finance	O-08	8	7
Sr Compliance Officer	Finance	O-08	New	8
HR Officer / Manager	Admin	O-09	9	10
Sr IT Specialist II	IT	O-09	9	11
Communications Manager	Admin	O-11	New	11
Director of Risk Management	Investments	I-13	13	11
HR Officer / Manager II	Admin	O-10	10	12
Director of Human Resources	Admin	I-13	New	13
Director of IT	Executive	O-11	11	14
Chief Financial Officer	Executive	O-13	13	15
General Counsel	Executive	O-14	14	15
Chief Investments Officer	Executive	I-18	18	18
Executive Director / CEO	Executive	O-18	18	18

Action

- Request action to approve changes to PMP

b) Training Approval and Certification Redline

PURPOSE

To provide Alaska Permanent Fund Corporation (APFC) supervisors and managers with guidelines for appropriate approvals and reimbursement procedures.

AUTHORITY

Alaska Statute 39.25.050
Personnel Regulation 2 AAC 07.300

BACKGROUND

It is the policy of APFC to encourage all employees to maintain the essential skills necessary to maximize their effectiveness in performing their current duties and to increase their potential for upward mobility. This policy shall be administered at APFC's discretion, subject to available funds, work requirements, and other relevant factors.

AT-WILL EMPLOYMENT

APFC is an "at-will" employer, which means there is no specified length of employment. Either the employee may end the employment relationship at will – any time, with or without reason – or APFC may end the employment relationship at will – any time, with or without reason. This employee training policy in no way lessens the at-will status of affected APFC employees. The policy provides no guarantees for length of employment up to or beyond taking or completing any training or achieving any degrees, designations, certifications, etc. earned through training while employed at APFC.

DEFINITIONS

Job-Related: Training deemed directly related to the duties the employee performs in his/her current job.

Job-Enhancement: This type of training provides knowledge or skills not necessarily required in the employee's current job, but which would be helpful to the employee in assuming more complex duties from his/her supervisor or increasing the employee's potential for upward mobility.

TRAINING APPROVAL

To initiate the approval process, a *Training Approval Form* will need to be completed by the employee requesting training along with an explanation to justify how the proposed training relates to current job duties or job enhancement, along with stating the added value to APFC. The employee's Department Manager will validate the request in light of the employee's training needs, work schedule, and APFC's budget and submit the training for additional approvals as noted below.

Note: *Any training registration and commitment of funds by the employee before obtaining the required APFC approval is made at the sole risk of the employee.*

~~GENERAL PROVISIONS~~CATEGORIES OF TRAINING, WITH PROVISIONS

Conferences and Seminars

This type of educational opportunity is offered to professional-level employees whose role will benefit from the exchange and discussion of information and ideas amongst professional peers and/or industry colleagues. A conference or seminar may involve travel and will normally occur during work hours; as such, approval should be granted only for employees and only if the event is specifically job-related or job-enhancing.

PAYMENT:	Typically paid for directly by APFC
REPAYMENT:	Typically not required
TRAVEL EXPENSES:	Typically paid for by APFC
TIME OFF FOR TRAINING:	Considered business leave
APPROVALS (LOCAL):	Department Manager
APPROVALS (OUT OF TOWN):	Department Manager, Divisional Executive and Executive Director

Extended Formal Education

College/University Education

This type of training is requested by an employee generally as a means of supplementing or extending their formal education. It is generally longer-term in nature, and is offered through an accredited college, university, or training institute whose main purpose is providing degrees, certificates, or continuing education endorsements for students. For reimbursement, this type of training must be job-related or job-enhancing. Additionally, all related expenses are to be entirely paid for directly by the employee and may be reimbursed after successful completion per the terms of the *Training Reimbursement Agreement*. The University of Alaska system is used as a benchmark for course reimbursement; courses taken at other institutions may not be reimbursed fully.

PAYMENT: Upon completion of the approved course(s), the employee will need to submit the completed *Training Approval Form*, all receipts (not a canceled check), documentation indicating completion of the course with a "B" or better (unless the course is designated pass/fail, in which case a "pass" grade is required), and a completed *Training Reimbursement Agreement* within 30 days of the course end date.

REPAYMENT:	Subject to the *Training* *Reimbursement* *Agreement* ~~*for approved training through the CFA Institute.*~~
TRAVEL:	Not applicable
TIME OFF FOR TRAINING:	Considered Personal Leave
APPROVALS:	Department Manager, Divisional Executive and Executive Director

Professional Certifications

This type of training is requested by an employee as a means of pursuing certification through ~~the CFA Institute~~professional organizations such as CFA, CPA, SPHR or any other widely recognized professional certification.~~The Institute offers several programs that are relevant to the field of investment management and are recognized in the industry:~~

PAYMENT:	When possible, APFC will pre-pay for formal exam prep courses and exams
REPAYMENT:	Subject to the *Training* *Reimbursement* *Agreement* ~~*for approved training through the CFA Institute.*~~

TRAVEL: May be paid for by APFC
TIME OFF FOR TRAINING: Considered Personal Leave
APPROVALS: Department Manager, Divisional Executive and Executive Director

Training Reimbursement Agreement

APFC requires employees to submit a *Training Reimbursement Agreement* for all training that is approved for Extended Formal Education. The agreement must be signed by the employee and the Executive Director. If the employee terminates employment with the State in less than two (2) years after completion of the training, unless termination is the result of death, prolonged illness, disability, unacceptability of the employee to the State, or other circumstances beyond the control of the employee, the employee will reimburse the State the amount of the itemized expenses in accordance with the following schedule:

100% if termination occurs before completing 12 months.
50% if termination occurs after 12 months and before 24 months.

Termination for cause shall not excuse the employee from liability for reimbursement within the limits specified above. The State has the right to deduct from the employee's final pay check any monies owed in accordance with the above terms or to recover such monies by other legal means.

TIME OFF FOR TRAINING

Any leave required by the employee to sit for an exam will be classified as personal leave. Fees to maintain membership are the employee's expense. APFC does not require that ~~investment~~ professional staff to maintain their ~~CFA charter~~professional certification status. All leave for approved preparation courses must be scheduled, pre-approved by the department director, and appropriately documented.

MAINTAINING PROFESSIONAL CERTIFICATIONS

APFC recognizes the direct benefit of professional certifications. Memberships including CFA, CPA, Bar Association Dues and all widely recognized Professional Certifications will be paid as reimbursement.

OVERTIME/FLEXTIME ELIGIBILITY AND USE OF STATE TIME/RESOURCES

If it is mandated that an overtime eligible employee must attend training outside of normal working hours, overtime compensation must be paid if the employee's hours of work and training time exceed the minimum work week. Supervisors can alter an employee's normal work schedule to minimize financial liability.

A flexible work schedule related to undertaking educational opportunities that primarily benefit the employee may be allowed provided that APFC is not adversely affected. The employee must indicate on the *Training Approval Form* that he/she is requesting flextime and the reason. The Department Manager, Divisional Executive and the Executive Director must pre-approve such a schedule change prior to implementation and a written agreement must be placed in the employee's personnel file.

Study time or homework that is necessary for approved Extended Formal Education type courses shall not be done during an ~~employees~~employee's normal working hours unless the time has been pre-approved by the Department Manager and appropriately documented. Reasonable use of APFC equipment is allowable on APFC premises after the employees normal working hours given it does not interfere with any APFC business use of such equipment.

INCOME TAX RAMIFICATIONS

Reimbursements under this plan may be considered taxable income and may be subject to both employment taxes and withholding.

c) Training Approval and Certification Clean

PURPOSE

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Note: *Any training registration and commitment of funds by the employee before obtaining the required APFC approval is made at the sole risk of the employee.*

CATEGORIES OF TRAINING, WITH PROVISIONS

Conferences and Seminars

This type of educational opportunity is offered to professional-level employees whose role will benefit from the exchange and discussion of information and ideas amongst professional peers and/or industry colleagues. A conference or seminar may involve travel and will normally occur during work hours; as such, approval should be granted only for employees and only if the event is specifically job-related or job-enhancing.

PAYMENT:	Typically paid for directly by APFC
REPAYMENT:	Typically not required
TRAVEL EXPENSES:	Typically paid for by APFC
TIME OFF FOR TRAINING:	Considered business leave
APPROVALS (LOCAL):	Department Manager
APPROVALS (OUT OF TOWN):	Department Manager, Divisional Executive and Executive Director

Extended Formal Education

College/University Education

This type of training is requested by an employee generally as a means of supplementing or extending their formal education. It is generally longer-term in nature, and is offered through an accredited college, university, or training institute whose main purpose is providing degrees, certificates, or continuing education endorsements for students. For reimbursement, this type of training must be job-related or job-enhancing. Additionally, all related expenses are to be entirely paid for directly by the employee and may be reimbursed after successful completion per the terms of the *Training Reimbursement Agreement*. The University of Alaska system is used as a benchmark for course reimbursement; courses taken at other institutions may not be reimbursed fully.

PAYMENT: Upon completion of the approved course(s), the employee will need to submit the completed *Training Approval Form*, all receipts (not a canceled check), documentation indicating completion of the course with a "B" or better (unless the course is designated pass/fail, in which case a "pass" grade is required), and a completed *Training Reimbursement Agreement* within 30 days of the course end date.

REPAYMENT:	Subject to the *Training Reimbursement Agreement*
TRAVEL:	Not applicable
TIME OFF FOR TRAINING:	Considered Personal Leave
APPROVALS:	Department Manager, Divisional Executive and Executive Director

Professional Certifications

This type of training is requested by an employee as a means of pursuing certification through professional organizations such as CFA, CPA, SPHR or any other widely recognized professional certification.

PAYMENT:	When possible, APFC will pre-pay for formal exam prep courses and exams
REPAYMENT:	Subject to the *Training Reimbursement Agreement*
TRAVEL:	May be paid for by APFC
TIME OFF FOR TRAINING:	Considered Personal Leave
APPROVALS:	Department Manager, Divisional Executive and Executive Director

Training Reimbursement Agreement

APFC requires employees to submit a *Training Reimbursement Agreement* for all training that is approved for Extended Formal Education. The agreement must be signed by the employee and the Executive Director. If the employee terminates employment with the State in less than two (2) years after completion of the training, unless termination is the result of death, prolonged illness, disability, unacceptability of the employee to the State, or other circumstances beyond the control of the employee, the employee will reimburse the State the amount of the itemized expenses in accordance with the following schedule:

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Any leave required by the employee to sit for an exam will be classified as personal leave. Fees to maintain membership are the employee's expense. APFC does not require that professional staff to maintain their professional certification status. All leave for approved preparation courses must be scheduled, pre-approved by the department director, and appropriately documented.

MAINTAINING PROFESSIONAL CERTIFICATIONS

APFC recognizes the direct benefit of professional certifications. Memberships including CFA, CPA, Bar Association Dues and all widely recognized Professional Certifications will be paid by AFPC.

PAYMENT:	Typically paid as reimbursement
REPAYMENT:	Not Subject to Training Reimbursement Agreement
APPROVALS:	Divisional Executive

OVERTIME/FLEXTIME ELIGIBILITY AND USE OF STATE TIME/RESOURCES

If it is mandated that an overtime eligible employee must attend training outside of normal working hours, overtime compensation must be paid if the employee's hours of work and training time exceed the minimum work week. Supervisors can alter an employee's normal work schedule to minimize financial liability.

A flexible work schedule related to undertaking educational opportunities that primarily benefit the employee may be allowed provided that APFC is not adversely affected. The employee must indicate on the *Training Approval Form* that he/she is requesting flextime and the reason. The Department Manager, Divisional Executive and the Executive Director must pre-approve such a schedule change prior to implementation and a written agreement must be placed in the employee's personnel file.

Study time or homework that is necessary for approved Extended Formal Education type courses shall not be done during an employee's normal working hours unless the time has been pre-approved by the Department Manager and appropriately documented. Reasonable use of APFC equipment is allowable on APFC premises after the employees normal working hours given it does not interfere with any APFC business use of such equipment.

INCOME TAX RAMIFICATIONS

Reimbursements under this plan may be considered taxable income and may be subject to both employment taxes and withholding.

d) Training Approval Form

APFC ALASKA PERMANENT FUND CORPORATION
801 W 10TH SUITE 302 | JUNEAU, AK 99801
907.796.1500 | apfc.org

Training Approval Form

Name Title Date Requested

Type of Training

Select as many as applicable

Conference Seminar Certification Formal Education

Training Name Date of Training From To

Location

Training Costs

Please be as specific as possible

Registration Tuition Materials Other

Total

Employee Justification

Briefly describe benefit to APFC

Notes

Signature ____________________ Date ____________________

Department Director Approval

Please review Division Training Budget & Inform Employee of Repayment Status

Denied Approved Profit Center # Repayment Required

Notes

Signature ____________________ Date ____________________

Divisional Executive Approval

Please review Division Training Budget & Inform Employee of Repayment Status

Denied Approved Budget Verified Repayment Required

Notes

Signature ____________________ Date ____________________

CEO Approval

Denied Approved

Notes

Signature ____________________ Date ____________________

Approval is contingent on available funds. Depending on the cost and type of training payed by APFC may be subject to repayment

e) 2018 Employee Handbook Redline

PMP - EMPLOYEE HANDBOOK

2018 Edition

TABLE OF CONTENTS

CONTENTS

Mission, ~~APFC Mission Statement~~Vision & Values

Mission

To manage and invest the assets of the permanent fund and other funds as designated by law

~~Mission~~
Vision

To ~~maximize the value of Alaska's Permanent Fund through prudent long-term~~deliver sustained, compelling investment ~~and protection of principal to produce income to benefit~~returns as the United States' leading sovereign wealth endowment manager, benefitting all current and future generations of Alaskans~~.~~

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Values

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- ~~Focus: Focus on mission to maintain a clear strategic direction.~~

- **Integrity:** ~~Act~~We act in ~~accordance with~~ an honorable, respectful, professional manner that continually earns and justifies the ~~highest ethical standards in all endeavors.~~

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- ~~Professionalism: Seek excellence and perform all duties professionally, emphasizing quality, innovation, balance, teamwork,~~trust and ~~productivity.~~

- ~~Accountability: Fiduciary responsibility lies with every employee~~confidence of ~~the Corporation~~each other and those we serve.

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- ~~Consistency: Commit to consistent application of all policies.~~

Stewardship: We are committed to wisely investing and protecting the assets, resources and information with which we have been entrusted.

Passion: We are driven to excellence though personal improvement, innovative solutions and an open creative culture; and are energized by the challenges and rewards of serving Alaskans

Introduction

The PMP formalizes in policy important corporate employment practices, initially developed with input from Alaska Permanent Fund Corporation (APFC) employees, Trustees, and a consultant. The Executive Director is responsible for PMP implementation.

This Employee Handbook (Handbook) outlines those elements of the PMP with which all employees must be knowledgeable to effectively carry out their job responsibilities and contribute appropriately to the APFC mission. As support for employees, the PMP establishes an obligation for APFC to provide each employee the most appropriate opportunity to perform effectively.

Open and timely communication and understanding at all levels of APFC employment is vitally important to PMP implementation. The value of teamwork is critical to the success of the PMP and each employee; teamwork extends employees' understanding of job responsibilities, supervisory roles, and other work-related relationships. Each employee's individual contribution adds to the success of the entire APFC organization.

No employee manual can anticipate every circumstance or question about policy. As APFC continues to grow, the need to change policies may arise. Therefore, APFC reserves the rights to revise, supplement, or rescind any policies or portion of this manual. The HR Officer will notify employees as soon as is practicable of changes to the Handbook.

In order to retain necessary flexibility in the administration of policies and procedures, APFC reserves the rights to revise any of the policies and/or benefits described in this handbook.

Employment-at-will Status

APFC is an at-will employer and neither the employee nor APFC is obligated to continue the employment relationship if either chooses, at will, to end the relationship at any time for any or no reason. The protection of general employment laws applies to APFC employees.

Employment Overview

Organizational Chart

APFC Organizational charts are updated periodically as needed and available through the HRIS system or by request.

Disclosure Requirements

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APFC employees are required to disclose financial investments in writing on an annual basis and within 30 days of a transaction for holdings they control an interest in whether or not they are a beneficiary of those investments. They must also disclose investments for household members and others they exercise a role as power of attorney or trustee. These disclosures are public documents.

Investment officers, Trustees and the Executive Director must additionally submit – online – conflict of interest statements to the Alaska Public Offices Commission (APOC) through the APOC website. Also as condition of employment, both APFC and the State of Alaska require employees to disclose conflicts of interest.

For more information on disclosure requirements please see the APFC Administrative Policy relating to Personal Investments Conduct and Reporting Conflict of Interest Law Alaska Executive Branch Ethics Act.

Equal Employment Opportunity

APFC provides equal employment and advancement opportunities to all. APFC follows all applicable laws and does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other class protected by law.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, any department head, or the HR Manager. Employees can raise employment-related concerns and make reports without fear of reprisal. APFC prohibits employment decisions based on whether or not an employee files or does not file a discrimination complaint regarding himself/herself or a coworker. Anyone found engaging in unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Disability Accommodation

APFC is committed to complying with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons under this Act. All employment practices and activities are conducted on a nondiscriminatory basis. APFC also prohibits discrimination against qualified employees or applicants because they are related to or associated with a person with a disability.

Nepotism and Hiring of Immediate Family Members

The Executive Director must preauthorize all APFC hires. Immediate family members of APFC employees may be hired only if: (1) Executive Director approval is obtained, (2) they will not work directly for or supervise a relative, and (3) they will not work in the same department within APFC.

For the purposes of this policy, a relative or immediate family member includes the spouse of the employee, another person cohabiting with the employee in a conjugal relationship that is not a legal marriage, a child, including a stepchild and an adoptive child of the employee; a parent, sibling, grandparent, aunt, or uncle of the employee, and a parent or sibling of the employee's spouse.

APFC prohibits hiring APFC Board of Trustee members (per AS 37.13.100). Additionally, APFC prohibits hiring immediate family members of current APFC Trustees. If a Trustee is appointed to the APFC Board and is also related to a current employee, the Boards and Commissions Office within the Office of the Governor is notified. APFC will then follow appropriate recommendations made by the Boards and Commissions Office.

Before finalizing a decision to hire an employee's immediate family member, APFC may require both family members to sign a nepotism waiver, stating that both members understand the policy and limitations for potential future career

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advancement due to the position held by the other family member. APFC does not accommodate organizational movement of an immediate family member for the sole purpose of allowing career advancement for the other family member.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

Outside Employment

Employees may hold employment outside of APFC as long as they meet the performance standards of their APFC job and that such outside employment does not conflict with APFC job duties and responsibilities, corporate values, or the Alaska Executive Branch Ethics Act. All employees are encouraged to read the Alaska Executive Branch Ethics Act, as they will be responsible for abiding by it. Employees are judged by the performance standards and measurements detailed in their individual position descriptions and/or their individual employee performance appraisals without consideration for the outside work requirements and are subject to APFC's scheduling demands, regardless of existing outside work requirements.

Employees are required to notify the APFC ethics supervisor in writing about outside employment immediately upon accepting outside employment in accordance with the Alaska Executive Branch Ethics Act (AS 39.52.170). The ethics supervisor determines if a conflict of interest exists. If a conflict exists, the employee must rectify the conflict immediately.

If APFC determines at any time, even after granting initial approval, that an employee's outside work interferes with his/her ability to meet APFC work requirements, APFC's needs supersede the other employer considerations.

Employees are prohibited from receiving any income or material gain from individuals outside APFC for materials produced or services rendered from performing their job responsibilities or duties with APFC. The Alaska Executive Branch Ethics Act restricts certain employment for two years after leaving state service. All former employees are required to notify the ethics supervisor of employment with outside agencies for up to two years after leaving APFC service.

Nondisclosure of Confidential Information

APFC sometimes presents at public forums featuring employee panelists that provide information regarding APFC and staff opinions on economic and market trends and other topics. APFC employees are sometimes guest speakers for public and community organizations. As a public corporation, APFC is also subject to the state public records act and federal Freedom of Information Act, whereby citizens may rightfully request information from the Corporation.

However, the protection of APFC confidential business information and trade secrets is vital to its interests and success. Such confidential information may include, but is not limited to, the following examples:

- investment information
- financial information
- personnel information
- computer processes
- computer programs and codes
- pending projects and proposals
- building or equipment security information

Employees who improperly use or disclose trade secrets or confidential business, security, or personnel-related information will be subject to disciplinary action, up to and including termination of employment, even if they do not benefit from the disclosed information.

Compensation Classification

APFC Market Guided Classification Method

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Elements of the APFC Market Guided Classification (MGC) method are:

- Authority, scope and responsibility for making decisions
- Level of risk and ability to add value to the Corporation
- Supervisory and/or expert knowledge~~; and~~
- ~~Decision~~ as well as decision-making complexity and difficulty as defined by mental and physical effort and required job skills

The Executive Director may consider corporate equity within the classification process. Under MGC, positions performing similar work are grouped under one broad classification where possible to provide classification flexibility while maintaining objectivity and discipline.

Class Specifications and Job Descriptions

Class Specifications

~~captures~~

- Captures the body of work that belongs to the Corporation
- ~~serves~~Serves as the framework of employment~~.~~

Job Description

~~reflects~~

- Reflects what the person in the position does
- ~~determines~~Determines where the person fits in the class specification
- ~~changes~~Changes with the person
- ~~serves~~Serves as the basis of evaluation

Supervisors and employees are encouraged to annually review class specs and job descriptions to ensure they continue to fit the actual duties. The HR Officer and the supervisor review any revisions to ensure the job description fits the class specs and is consistent with the corporate structure. Both parties periodically review the class specs to ensure current relevance.

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Compensation Philosophy & Structure

APFC strives for a compensation program that competes well in the market and motivates all employees to bring their best efforts to the workplace. The program provides a systematic means of tracking, measuring, and compensating employee performance and allows flexibility for APFC to act quickly.

Salary Structure

APFC's salary structure identifies the position hierarchy and the resulting salary ranges for each classification. The basis for calculating competitive pay is achieved through:

- Market compensation surveys conducted periodically
- An effort to place APFC's salary range midpoint based on the 50th percentile of market where feasible and consistent with the classification plan

Market Surveys

APFC tries to achieve external parity in compensation through the use of periodic market surveys and other appropriate techniques. As a general rule, the HR Officer oversees scheduling market surveys every other year. Circumstances may dictate a departure from this schedule.

Structure Calculation

Midpoint	50th percentile of market data
Minimum and Maximum	~~calculation~~Calculation of range spread from midpoint
Range Spread	50% to 100%, depending on the classification level
25th and 75th percentiles	Calculated from minimum, midpoint and maximum

APFC Salary Structure – Effective ~~6/15/2010~~12/2017 (Pending Approval)

Classification & Compensation Authority

AS 37.13.100

Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.

APFC Bylaws, Article II, Section 4

Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.

APFC Bylaws, Article II, Section 8

Provides that the Executive Director shall employ personnel he/she deems necessary to exercise his/her powers, duties, and functions under AS 37.13; determine employee compensation; and makes these decisions within APFC budget limitations as

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approved by the Board in compliance with polices established by the Board.

Positions	Department	Classification	Salary Level	Current Min	Current 25th	Current Mid	Current 75th	Current Max
Intern	Admin	O-01	1	$ 31,660	$ 35,618	$ 39,576	$ 43,533	$ 47,491
Administrative Assistant	Admin	O-02	2	$ 37,802	$ 42,528	$ 47,253	$ 51,978	$ 56,703
Administrative Assistant II	Admin	O-03	3	$ 42,906	$ 48,269	$ 53,632	$ 58,996	$ 64,359
Administrative Specialist - General	Admin	O-04	3	$ 42,906	$ 48,269	$ 53,632	$ 58,996	$ 64,359
Administrative Assistant III	Admin	O-04	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
Administrative Specialist - Procurement	Admin	O-04	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
Accountant	Finance	O-06	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
IT Desktop Support	IT	O-06	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Administrative Assistant IV	Admin	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Administrative Specialist II	Admin	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Accountant II	Finance	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Operations Analyst	Finance	O-05	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
IT Desktop Support II	IT	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Administrative Specialist III	Admin	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Executive Assistant	Admin	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
HR Generalist I	Admin	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Portfolio Accountant I	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Investment Analyst	Investments	I-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
IT Specialist	IT	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Operations Analyst II	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Performance & Compliance Analyst	Finance	O-06	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Sr Operations Analyst	Finance	O-07	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Compliance Officer	Finance	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Portfolio Accountant II	Finance	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
HR Generalist II	Admin	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Investment Analyst II	Investments	I-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
IT Specialist II	IT	O-07	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Sr Operations Analyst II	Finance	O-08	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$109,527
Sr Compliance Officer	Finance	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Adminstrative Services Officer / Manager	Admin	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Investment Analyst III	Investments	I-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Sr Accountant	Finance	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Sr IT Specialist	IT	O-08	8	$ 77,770	$ 89,436	$101,102	$112,767	$124,433
Adminstrative Servisces Officer / Manager II	Admin	O-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
RE Investment Analyst	Investments	I-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
Sr Accountant II	Finance	O-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
Sr Investment Analyst	Investments	I-09	9	$ 88,251	$101,488	$114,726	$127,964	$141,201
HR Officer / Manager	Admin	O-09	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
RE Investment Analyst II	Investments	I-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
Sr Accountant III	Finance	O-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
Sr Investment Analyst II	Investments	I-10	10	$ 95,555	$112,277	$128,999	$145,721	$162,443
Sr IT Specialist II	IT	O-09	11	$109,171	$128,276	$147,381	$166,486	$185,591
Controller	Finance	O-10	11	$109,171	$128,276	$147,381	$166,486	$185,591
Director of Admin/Operations	Admin	O-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Portfolio Manager	Investments	I-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Communications Manager	Admin	O-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Sr Investment Analyst III	Investments	I-11	11	$109,171	$128,276	$147,381	$166,486	$185,591
Director of Risk Management	Investments	I-13	11	$109,171	$128,276	$147,381	$166,486	$185,591
HR Officer / Manager II	Admin	O-10	12	$124,630	$146,440	$168,250	$190,061	$211,871
Portfolio Manager II	Investments	I-12	12	$124,630	$146,440	$168,250	$190,061	$211,871
Sr Investment Analyst IV	Investments	I-12	12	$124,630	$146,440	$168,250	$190,061	$211,871
Director of Human Resources	Admin	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Sr Portfolio Manager	Investments	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Sr Portfolio Manager	Investments - Pri	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Sr Portfolio Manager	Investments - FI	I-13	13	$142,411	$167,333	$192,255	$217,177	$242,099
Director of IT	Executive	O-11	14	$162,676	$191,144	$219,612	$248,080	$276,548
Sr Portfolio Manager II	Investments - RE	I-14	14	$162,676	$191,144	$219,612	$248,080	$276,548
Sr Portfolio Manager II	Investments - FI	I-14	14	$162,676	$191,144	$219,612	$248,080	$276,548
Chief Financial Officer	Executive	O-13	15	$185,743	$218,248	$250,753	$283,259	$315,764
General Counsel	Executive	O-14	15	$185,743	$218,248	$250,753	$283,259	$315,764
Director of Investments	Investments - FI	I-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Director of Investments	Investments - RE	I-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Director of Investments	Investments	I-15	15	$185,743	$218,248	$250,753	$283,259	$315,764
Sr Director of Investments	Investments	I-17	16	$212,175	$249,306	$286,436	$323,567	$360,698
Deputy CIO	Investments	I-17	17	$218,134	$272,668	$327,201	$381,735	$436,269
Chief Investments Officer	Executive	I-18	18	$249,175	$311,468	$373,762	$436,056	$498,350
Executive Director / CEO	Executive	O-18	18	$249,175	$311,468	$373,762	$436,056	$498,350
Pay Grade Future Growth		O-19/I-19	19	$284,632	$355,790	$426,948	$498,107	$569,265
Pay Grade Future Growth		O-20/I-20	20	$325,136	$406,419	$487,703	$568,987	$650,271

Authority for Position Classification & Compensation Actions

Classification / Compensation Action	Approval Authority
• Hiring Executive Director • Establishing and adjusting Executive Directory compensation • Amending the compensation structure	Board of Trustees
• Amending position classification structure • Hiring employees (within Board approved budgeted appropriation) • Establish pay rates for new hires • Promoting staff • Adjusting staff compensation for performance based increases (excluding Executive Director) • Adjusting staff compensation outside the evaluation cycle and merit increase provisions but within existing classification and compensation structure • Reclassifying positions within existing classification structure	Executive Director

CLASSIFICATION / COMPENSATION ACTION	APPROVAL AUTHORITY
• Hiring Executive Director • Establishing and adjusting Executive Director's compensation • Amending the compensation structure	**Board of Trustees**
• Amending the position classification structure • Hiring employees (must be within the Board-approved budgeted appropriation)	
• Establishing pay rates for new hires • Promoting staff • Adjusting staff compensation for performance-based increases (excluding Executive Director's) • Adjusting staff compensation outside the evaluation cycle and merit increase provisions but within existing classification and compensation structure • Reclassifying positions through the position classification–process within existing classification structure	**Executive Director**

Administrative Guidelines for Classification & Compensation

The administrative guidelines provide definitions and directions for implementing and maintaining the classification and compensation structures. Any substantive change to the compensation structure requires Board review and approval.

Review of Classification and Compensation Structures

APFC will periodically review class specifications to update the type and level of work described in the class specification for each position, or to reclassify the position.

- One of the purposes of the review is to check the internal balance of the compensation scheme~~.~~
- The supervisor and the HR Officer conduct class specification reviews~~.~~
- The HR Officer periodically obtains a professional market compensation survey~~.~~
- The Executive Director has final approval of all changes to class specs within the existing classification and compensation structures~~.~~

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Compensation Considerations at Hire

~~APFC salary administration generally requires offering the hiring range between the minimum and the midpoint of the salary range. Consideration is allowed for appointment above the midpoint (e.g., exceptional qualifications, highly skilled candidate pool, etc.).~~

APFC salary administration strives to balance the need to attract strong talent while maintaining a fiscally responsible approach to the hiring process. Each hire will be extensively evaluated and offers will be made with a commitment to ensure we provide compelling compensation commensurate with positional responsibilities and candidate experience.

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Appointment below the minimum may be allowed as an under-fill option. This option allows APFC to hire individuals who lack the minimum qualifications for the position. There are many reasons this may occur,

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including but not limited to lack of candidates fully qualified for a position. Individuals hired below the minimum qualifications must meet the minimum qualifications within that position's introductory period. (Refer to the "Introductory Period" section of this Guide.)

Post-Survey Salary Adjustments

Employee compensation shall not be less than the minimum or exceed the classification's salary range maximum. After a market survey (normally scheduled every other year) is completed and the compensation structure is adjusted, an employee's salary may fall outside the new range. If (a) the salary is below the minimum, it shall be adjusted upward to fall within the range; if (b) the salary is above the maximum, the salary will be frozen and not reduced to fall within the range.

Length of Introductory Period

The new hire orientation and introductory period is designed to provide a sufficient length of time that allows the employee to perform the full range of essential duties of the job. Administrative support positions require six months; all others require 12 months. In allowing for an orientation and introductory period, APFC as an "at will" employer makes no guarantee of employment for a particular period of time up to, through, or beyond the orientation and introductory period.

Promotion and Reclassification

Promotion

An employee promotion is defined as when an employee accepts the offer extended from APFC to move into an existing position within the same occupational area at a higher-level class specification. The higher position may have a different "personnel classification number" (PCN), however, the PCN is not a criterion defining a promotion. Among other considerations, promotion offers are based on an employee's current performance. At the time of offer, or by the end of the introductory period, an employee must meet the minimum qualifications of the position offered. A promoted employee's salary must be at least the minimum of the higher position's salary range. Other general Guidelines are that the salary may remain the same if it is at or above the new position's minimum, or may be increased to typically 10% over the promoted employee's current salary; but if over 10% it usually does not exceed the midpoint of the higher position's range.

Reclassification

Reclassification occurs when a significant change in the responsibilities of a position warrants moving the position to another classification. This change can be to a higher, lateral or lower class level. Reclassification may or may not be to an already existing job class spec. Reclassification of a position may or may not warrant a change in the reclassified position's salary grade.

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Merit Salary Increases (not incl. promotions and reclassifications)

Decisions to extend a performance-based salary increase are based on merit and positive work contribution; not longevity. The granting of merit increases is not a guarantee of continued employment and does not alter the “at will” status of APFC employees.

The appropriate times to offer performance-based salary increases are:

1. **Upon January 1 for performance during the prior year,** in accordance with the performance appraisal process and merit scale (see following section). An employee who has worked an incomplete year in a position may receive a pro-rated performance-based salary increase on January 1 based upon the amount of time worked between their new position starting date and December 31, the end of the performance review period.

2. **One-time allowance** (*with controls in place to ensure that it is not awarded a second time during the fiscal year annual review*). A one-time allowance is a percentage increase to the base salary for a specific period:

- *For an employee who assumes full authority, for at least a month, to execute all job responsibilities for a supervisor or coworker whose class specification is at a higher classification level, while the supervisor or coworker is absent from work (e.g., family leave), or while the position is vacant.* The employee’s salary may be temporarily increased to the minimum of the higher position’s salary grade or 10% over the employee’s current salary but typically does not exceed the midpoint of the higher-level position’s salary grade. If the employee assumes a major portion (at least 50% but not 100%) of the authority level and job responsibilities of the higher position, the salary may be temporarily increased in proportion to the additional higher-level job functions but cannot exceed the increase paid for assuming 100% authority level.

- *For an employee whose work performance results in a work product that adds value to the ongoing operations of the APFC.* The work product belongs to the corporation when the employee leaves. APFC allows for one-time recognition of performance that would not otherwise be compensated, except as part of the employee’s base pay.

3. **Other:** The Executive Director has the authority to make adjustments to assure internal equity

~~4.~~ PERFORMANCE MANAGEMENT

Performance Management provides opportunities for official recognition of an employee’s achievements, provide suggestions for performance improvement, and provide the opportunity for employee career counseling. Performance appraisals relay APFC work expectations, develop performance objectives, and evaluate work performance.

APFC supervisors are encouraged to regularly review employee work performance on an informal basis. Annually, supervisors conduct a formal Employee Work Performance Appraisal/Evaluation. This is the official documentation of an employee/ supervisor discussion of employee work performance for the annual review period. The performance appraisal process or rating does not alter the “at will” status of APFC employees.

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Performance Appraisal system elements

Class Specification	Captures the body of the work that belongs to the Corporation and is the legal framework of employment.
Job Description	Reflects what the person in the position does, determines where the person fits in the class specification, changes with the person, and provides criteria against which the employee is evaluated.
Periodic Interim Reviews	As needed – provides an informal and interactive process during the year to identify changes in the position or goals and promotes open communications.
Annual Performance Appraisal	Documents the formal process using a performance measurement system that focuses on competencies and goals. (See "Performance Appraisal Process" for details.)

It is upon the completion of the performance appraisal, and based on work performance, that pay adjustment or position movement is based. The appraisal is also a planning tool that details the next year's work performance objectives, the employee development plan, and measurable goals.

Annual Performance Appraisal/Evaluation Process

The annual performance appraisal/evaluation process begins in the 4th Quarter of the Calendar Year during performance period year end. The process may involve an employee self-review and may include peer reviews. Self-reviews will not technically factor into the quantitative rating but rather be used as information for the supervisor, who is the only person in the process whose rating technically factors into the evaluation score. Following the supervisor's review is a review and approval hierarchy, which varies depending on the position under review. Upon completion of each step in the process, the next individual in the queue is prompted to complete their task until the review is final. Salary adjustments may occur when all parties involved in the process for an employee have completed their tasks. The performance appraisal discussion between supervisor and employee and any resulting pay adjustment or position movement discussion may occur at different times and are processed separately.

The Performance Appraisal includes

Looking back by:

~~conducting~~

- Conducting a position review, documenting ~~position~~ changes since hire or since the last position review
- ~~conducting~~Conducting a comprehensive review of the employee's performance during the performance review period to compare expectations to actual performance~~.~~

Looking forward by:

~~determining~~

- Determining measurable goals and/or projects for the next year
- ~~identifying~~Identifying tools and creating a training program to meet those new goals
- ~~identifying~~Identifying specific performance areas needing concentrated effort during the next year

Recommendation for pay action

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If the supervisor's rating of an employee's performance warrants a pay increase after all levels of review and approval are completed, HR initiates a pay action. A copy of the pay action is placed in the employee's personnel file. HR notifies employees of upcoming changes to their compensation.

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Change of supervisor

Outgoing supervisors should conduct change of supervisor performance appraisals for employees under supervision who have not received an appraisal within the past six (6) months.

Merit Scale

The merit scale is calculated each year, based upon criteria determined by management; e.g., anticipated percentage of money available for salary adjustments. The scale has five performance levels. Employees receive merit increases to their base salaries each year based upon the results of their annual fiscal year performance evaluations.

Detailed definitions of the Ratings Used in Employee Work Performance Appraisals

Far exceeded the expectations; this year's contribution clearly moved the business forward. Employees with this overall rating consistently far exceed the requirements in all areas of their position. Or, the employee worked at length on a project, the results of which far exceeded requirements and expectations of this single, extraordinary event that clearly moved the business forward. Their supervisor and other staff easily recognize the employee's high achievements for success of the project, and can clearly attribute the success to the employee's contribution. Employees with this overall rating consistently and constructively review the processes of their work to look for efficiencies and quality. They propose or implement revisions. Employees with this overall rating work with co-workers/supervisors and offer assistance to others that contributes to the success of others. Rating any competency or goal at this level means that the employee clearly exceeded the requirements - much more than fulfilling the requirements at an outstanding level - of that competency, or goal.

Exceeded expectations; this year's contribution is clearly identifiable.
Employees with this overall rating correctly complete and exceed the requirements in the majority of areas of their position. Their supervisor and other staff easily recognize the employee's consistent high achievements. Employees with this overall rating work with co-workers/supervisor to assist the high achievements of others, and may seek or take on work from other employees, or perform the tasks of their position, but at a higher level. Rating any competency or goal at this level means that the employee exceeded the requirements of that competency or goal.

Fully met expectations in all key areas; minimal errors of execution or strategy.
Employees with an overall rating correctly complete the requirements of their position. Rating any competency or goal means that the employee completed the requirements of that competency or goal.

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• *Partially met expectations; some substantial errors of execution or strategy.*

Employees with this overall rating only partially complete some of the requirements of their position. Others may have to complete a portion of the required work, or portions of the work may go uncompleted or may be incorrect. Rating any single competency or goal at this level means that the employee is expected to perform substantially better in this area. This rating means that when performance was discussed with the employee, he/she took responsibility and initiative and/or shows potential to improve either overall or in a competency or goal.

Did not meet expectations in the majority of areas; repeated errors of execution or strategy. Employees with an overall rating in this area are not completing the requirements of their position and likely others must complete the work or the work is going undone, or is incorrect. This rating also means that the employee lacks the skill-set, ability, or initiative for improvement. Rating any competency or goal at this level means that when performance was repeatedly discussed with the employee, the employee did not take steps to improve or did not improve.

Recruitment Overview

APFC's recruitment program offers an uncomplicated course of action for filling vacant positions; encourages internal applicants; promotes APFC values; reflects a sense of urgency to reduce impact on other employees.

APFC is a State of Alaska entity exempt from the Personnel Act, with no requirement to follow a set recruitment procedure. A vacancy provides a unique opportunity to review the organization's needs outside of the normal budget cycle organizational review process~~.~~ APFC recruitment generally follows the process outlined below. However, the Governor may re-direct the recruitment and hire process of exempt positions at her/his discretion. The Executive Director retains the authority to change the following process.

1. Determine Organization's Need for Position
2. Develop Recruitment Plan
3. Create Recruitment Notices
4. Implement Recruitment Plan
5. Interview Process
6. Final Selection
7. Personnel Action

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8. Orientation and training

~~Recruitment Responsibilities Chart~~

	HR	Supervisor*	Dept. Head	Executive Dir.
Policy Guidelines	RECOMMENDS			RECOMMENDS
Review Organization's Needs				
✓ Review Organizational Direction	C	RECOMMENDS	RECOMMENDS	APPROVES
✓ Review Class Spec	C	S	S	S
✓ Develop Job Description	C	RECOMMENDS	RECOMMENDS	APPROVES
✓ Consider Budget Impact	C			
Recruitment Plan				
✓ Scope of Recruitment	C	RECOMMENDS	RECOMMENDS	APPROVES
✓ Screening Criteria	C	RECOMMENDS	APPROVES	
✓ Interview Questions	C	RECOMMENDS	APPROVES	
✓ Timelines and Deadlines	C	RECOMMENDS	RECOMMENDS	APPROVES
✓ Identification of Participants	C	RECOMMENDS	RECOMMENDS	APPROVES
✓ Salary and Benefits	C	RECOMMENDS	RECOMMENDS	APPROVES
Personnel Actions	C	RECOMMENDS	RECOMMENDS	APPROVES

*Supervisor may be the Department Head

C = Compliance review S = Substance and content review (with opportunity to change)

Employment Categories

Employment categorizations provide a framework for staff appointments consistent with APFC mission, vision, values and goals. They establish a framework for necessary position types requisite to APFC mission; they create standards for planning and budgeting for APFC position appointments.

APFC is exempt from the State Personnel Act and associated regulation per AS 39.25.110s. APFC must conform to the Executive Budget Act (AS 37.07) which likely means that legislative approval is required for new positions of more than one-year duration.

A position must be established prior to an appointment. Full time, regular appointment categories require prior approval by the Alaska Legislature. APFC may directly establish others. Except for short-term temporary appointments, the Board of Trustees must approve the establishment of all positions (AS 37.13.100).

A position established in one of APFC's categories of appointment refers to the position in APFC organizational structure and to the budget. These terms categorizing position appointments do not alter the APFC "employment-at-will" status. Either the employee or APFC may terminate the employment relationship at any time, for any or no reason.

Categories of Appointment List

- Regular Full-Time
- Regular Part-Time
- Regular Seasonal
- Temporary Long-Term
- Temporary Short-Term
- Emergency
- Intern
- Job Sharing

Categories of Appointment Descriptions

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Regular Full-Time Appointments

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A regular full-time position must be approved by the legislature through the executive budget process. An employee working in a full-time position is scheduled to work 30 or more hours per week.

Characteristics

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- Compensation at salaried rate either hourly or annualized
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- Full PERS accrual
- May participate in Deferred Compensation
- Full health insurance
- Full basic life insurance
- Full leave accrual
- All paid holidays

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Regular Part-Time Appointments

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A regular part-time position must be approved by the legislature through the executive budget process. An employee working in a part-time position is scheduled to work at least 15 hours but less than 30 hours per week.

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Characteristics

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- Compensation based on an annualized hourly rate
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- PERS accruals are prorated (based on a 1560 hour year) by hours worked
- May participate in Deferred Compensation
- Employee may elect health insurance by paying half of premium rate or may opt out of coverage
- Employee may elect basic life insurance by paying half of premium rate (if electing health insurance) or may opt out of coverage
- Leave and holiday accruals are prorated based on a 37.5 hour workweek

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In-House Intern Appointments

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APFC established an intern classification to provide substantive training experience in varied occupations designed to enhance and complement a student's course of study. An internship of 120-calendar days' duration or less shall be treated as a temporary short-term appointment as defined previously. APFC does not provide for internships lasting more than 120 calendar days. Interns are distinguished from other temporary employees because their work is part of an applied academic program. The Executive Director must approve the decision for an internship to exceed one semester.

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Special Considerations for Intern Appointments

- To be eligible for participation in the internship program, the candidate must meet the APFC Intern Program qualifications.
- All APFC interns are compensated on an Hourly basis
- Intern positions are Temporary Short Term Appointments and as such are FLSA overtime eligible

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Regular Seasonal Appointments

A regular seasonal position must be approved by the legislature through the executive budget process. An employee working in a seasonal position is scheduled to full-time for an assigned period of weeks during the work year. Outside of the assigned period, the employee is placed on "seasonal leave without pay" (SLWOP) status.

Temporary Long-Term Appointments

A temporary long-term position is established by APFC. A temporary long-term employment period exceeds 120 calendar days but cannot exceed 12 months. If 12 months is exceeded, APFC must request a regular position through the executive budget process. The same set of duties cannot be performed by a second long-term temporary appointment after the first expires within a 60 day period.

Temporary Short-Term Appointments

A temporary short-term position is established by APFC. A short-term temporary employment period shall be for 90 calendar days or less but can be extended once for 30 calendar days by APFC. If 120 calendar days are exceeded, the appointment shall be treated as a temporary long-term appointment for specific benefit purposes (health/life insurance, personal leave, and holidays), and such benefits shall be awarded retroactively to the date of appointment unless waived by the employee. Internships are included in this category. The same set of duties cannot be performed by a second temporary short-term appointment after the first expires within a 60-day period. This appointment category provides no paid leave, no paid holidays, or other employee benefits other than hourly compensation and SBS eligibility.

Emergency Appointments

APFC may occasionally appoint emergency/substitute personnel to fill critical and unanticipated vacancies. Such appointments can be made for an employment period of no more than 30 calendar days. If 30 calendar days are exceeded, the appointment shall be treated as a short-term temporary appointment. The same set of duties cannot be performed by a second emergency appointment after the first appointment expires.

INTRODUCTORY PERIOD

APFC provides an introductory time period for new employees to familiarize them to the Corporation and to provide focused orientation on APFC expectations for performing essential duties of the position and to help management determine the capabilities of the employee new to that position. This period stresses open communications, periodic position and performance reviews and an APFC orientation.

Purpose of Introductory Period

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The purpose of the “introductory period” is to determine if the new or recently promoted employee is capable of performing all essential duties of the position. This is an opportunity for the supervisor to orient and train the new employee and to focus the employee’s efforts toward fulfilling the job responsibilities. In addition to learning job responsibilities and gaining an understanding of APFC mission, goals, and values, the introductory period also emphasizes incorporating new employees into the APFC team environment. In this way, the APFC standard is set, and new employees are prepared to offer support to the next new employee. Disciplinary actions taken during the introductory period follow the Guidelines outlined in the appropriate section of this Guide.

All APFC employees are “at will” employees. This means that employment at APFC is not for a fixed period and does not guarantee any length of employment. Either an employee or APFC may terminate the employment relationship at any time, with or without reason, and with or without notice. Completion of the introductory period is not a guarantee of continued employment.

Length of Introductory Period

In regard to the scope and complexity of positions in the APFC classification system, the lengths of the introductory periods are six months for FLSA Non Exempt positions and one year for FLSA Exempt.

WORK HOURS, OVERTIME AND LEAVE

This guidance is intended to maintain consistent office hours and employee scheduled attendance. APFC recognizes that we are an organization of professionals whose body of work does not always adhere to standard work times and days.

Work Hours and Office Hours

- Official APFC office hours are 8:00 a.m. through 4:30 p.m., Monday through Friday.
- The APFC employee standard work week is Monday through Friday.
- Most APFC employees work 7.5 hours per day, with an additional one-hour lunch break.
- Each employee observes a consistent work and lunch schedule, which may vary from those of other employees and from official office hours.
- Supervisors may approve employee requests to temporarily flex from their regular work schedule.
- The schedules of employees involved in trading are tied to the capital markets, and breaks including lunch are generally taken on site.

Attendance and Absence

- APFC requires daily on-time employee attendance.
- Employees must notify their supervisors as soon as possible if they have an unexpected absence or are going to be late for work.
- Planned employee absences (leave) require advance supervisory approval.
- Paid work conducted at home is allowable under extraordinary circumstances. (See “Work at Home”)

Flexible Workday Schedule

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- APFC may require or APFC employees may use the option of "flexing" their workday outside the standard APFC office hours with the approval of their supervisor and department head.
- The official lunch break is from noon to 1:00 p.m. However, upon supervisor and department head approval, employees may take a lunch break at other scheduled times and may take a lunch break from .5 to 1.5 hours in duration. APFC management considers lunchtime a necessary break and discourages regularly working through lunchtime.
- "Flexing" within a workday or for short-term periods is allowed with supervisory approval.
- In extraordinary circumstances, paid work conducted at home, is allowable. (See "Work at Home")

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Overtime

Compensatory (Comp) Time for FLSA Overtime Eligible Employees who are Leave Earning

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For APFC employees who are FLSA overtime eligible and leave earning, Compensatory (Comp) Time accrual and usage is the standard compensation for overtime work. Such employees are advised prior to hire of the APFC comp time in lieu of overtime pay understanding.

For these employees:

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- Comp time is accrued for any work over 37.5 hours per week.
- Comp time is accrued hour for hour for work between 37.5 hours and 40 hours per week, and 1.5 hours for hours worked beyond 40 hours per week.
- Overtime requires supervisory pre-authorization. Overtime worked and compensatory time used is reported on the employee's time sheet.
- Overtime eligible employees must claim overtime worked, in accordance with the FLSA.
- Comp time must be used prior to personal leave.
- At separation, an employee's accrued comp time is converted to a cash value.

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Other employee categories as regards overtime

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- Employees in position categories that do not earn leave are not eligible to earn comp time. These employees are paid at the overtime rate only when they work over 40 hours per week.
- Comp time is not available for FLSA overtime-exempt employees.

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Holidays

APFC recognizes the following 11 State Holidays per AAM 270.020. APFC also recognizes days publicly proclaimed by the US President as a national holiday or by the Alaska governor as a legal holiday. On occasion the SIFA and NYSE Market holidays do not line up with State Holidays. Based on business need, managers of employees work on those days are expected to plan on having appropriate staff in the office to ensure safe and effective operations.

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Holiday	Month	Day or Date
New Year's Day	Jan	1st
MLK Jr.'s Birthday	Jan	3rd Monday
President's Day	Feb	3rd Monday
Seward's Day	Mar	Last Monday
Memorial Day	May	Last Monday
Independence Day	July	4th
Labor Day	Sept	1st Monday
Alaska Day	Oct	18th
Veteran's Day	Nov	11th
Thanksgiving Day	Nov	4th Thursday
Christmas Day	Dec	25th

Work Status on APFC Holidays

APFC is required to follow State of Alaska employee leave and holiday rules. However, some State holidays occur when the financial markets are open and therefore, APFC operations must continue. Because certain employees are directly responsible for these mission-critical operations, they are required to be at work on some State holidays.

Typically, only certain employees in the Investments, Finance and IT Departments are required to work on a State holiday. The head of these departments will determine which staff members must work.

FLSA Overtime Exempt: FLSA Overtime Exempt employees required to work on a State holiday may take another supervisor-approved day off in lieu of their holiday, but within 30 calendar days after having worked the holiday. The holiday must accrue to the employee before taking off a day from work.

FLSA Overtime Eligible: Typically, Fair Labor Standards Act (FLSA) overtime eligible employees will not be required to work on State holidays. However, if an employee is FLSA overtime eligible, and is required to work on a holiday, that employee will be paid for their time worked and will accrue comp time at 1.5 hours per hour worked.

Work at Home

The purpose of this policy is to allow employees to work from their homes if their work can be transferred from the workplace.

Employees may conduct paid work out of their homes for only specific and approved reasons. Work at home is at the discretion of an employee's supervisor and the department head with approval by the Executive Director.

LEAVE

APFC is governed by AS 39.20.200 – 39.20.350 regarding leaves of absence. These statutes outline leave and leave usage requirements. In addition, APFC has the following policies regarding leave:

Administrative Absence from Work

Administrative absence from work allows the Executive Director the option to grant employees absence from work on an individual or corporate level that does not affect the employee's leave balance.

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An Administrative Absence is not typically a leave-type that may be requested, but may be offered to an employee by the Executive Director who recognizes a reason to provide them time off from work that does not affect the employee's leave balance. Administrative absences typically do not require a time sheet report.

Short-Term Leave of Absence

APFC recognizes that allowing a short-term absence strengthens employee morale and increases productivity. The goals of this leave type are to provide employees an opportunity for an extended leave/sabbatical of up to three months without loss of position and/or to allow short-term leave to assist employees seeking professional or personal endeavors

- Short-term leave is not granted automatically; APFC needs must be the first priority.
- Short term leave is approved by the Executive Director for a period of not more than three months.
- Examples of uses for short-term leaves are to finish an academic degree or certification, to complete a professional licensing requirement, mission work, or travel. This list is meant merely as an example; other reasons may be approved.
- If the employee terminates during short-term leave, the termination date is retroactive to the first day of leave.
- All employee benefits are frozen and accrual ceases while on leave. In accordance with state policy and regulations medical benefits coverage may continue if the employee pays for coverage.
- Use of this leave option is without pay. However, with Executive Director approval, accrued personal leave may be used for all or as part of the short-term leave period.

PROFESSIONAL PRACTICES

APFC encourages staff to conduct themselves in a professional manner at all times, reflecting APFC values in their interactions with others, ever cognizant of their responsibilities to the public as managers of Fund assets.

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Professional Codes of Conduct

APFC business operations and its reputation are built upon the principles of fair and ethical conduct of its employees. APFC complies with all applicable laws and regulations and expects employees in all positions to conduct business in accordance with all relevant laws and to refrain from illegal, dishonest, and unethical conduct or practices.

APFC success depends upon Alaskans' trust; we are dedicated to preserving it. Employees have an obligation to APFC and Alaskans to act in a manner that merits continued public trust and confidence in APFC.

APFC expects employees to use their best judgment, based on high ethical principles, as a guide to acceptable conduct. In a situation that is difficult to determine the proper course of action, openly discuss the matter with your immediate supervisor and, if necessary, with the HR Officer for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every APFC employee. Disregard of or failure to comply with this standard of business ethics and conduct could lead to disciplinary action, including immediate termination of employment.

Gifts

Business associates, contractors, vendors, or others doing business, or wishing to do business with APFC, occasionally offer APFC employees gifts, services, or other items. APFC employees are strictly prohibited from accepting gifts that benefit the employee's personal or financial interest if it can be reasonably inferred the gift is intended to influence the employee's action or judgment. APFC employees are strictly prohibited from soliciting gifts. APFC employees must follow AS 39.52.130, and are encouraged to read this statute.

Interpersonal Communications

APFC strives for open, two-way communications among all authority levels. Communications must be professional and respectful so that each employee feels free to express divergent thoughts and concerns. Active communication involves taking responsibility for contributing your ideas respectfully and clearly, and listening carefully to the ideas of others.

APFC expects professional relationships within and outside the Corporation through the use of professional communication.

Hurtful communications, such as malicious gossip, name-calling, slurs, spoken, circulated in hard copy or via an electronic device, are unacceptable and will not be tolerated. An employee using hurtful communication may be disciplined up to and including termination of employment.

Public Communications

APFC employees are sometimes called upon to make public presentations on APFC or other topics. APFC strives for open public communications and has responsibility as a public trust. This responsibility requires us to clearly communicate APFC goals, mission, values, and corporate activities. APFC recognizes the Board Chair, the Executive Director, and Communications Director as the official spokespersons for the organization. Questions about the Corporation from outside sources that require an official response should be directed to these official spokespersons.

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Disputes

APFC encourages employees to bring disputes or conflicts with other employees to the attention of their supervisors, the Executive Director, the HR Officer, or to follow the Employee Grievance Procedure included in this Guide, if appropriate. APFC is eager to assist in the resolution of employee disputes.

Dress Code

APFC expects a high degree of professionalism in all aspects of work including dress and grooming that recognizes a diverse workforce.

When representing APFC, employees are required to present a clean and neat appearance. Everyday wear should project a professional image and should be chosen to fit the occasion. The Executive Director or designee reserves the right to define the dress code. Each employee is responsible for following the dress code. Department heads are responsible to ensure the employees they supervise follow the dress code.

Political Activities

APFC employees are in the Exempt Service of the Executive Branch of state government and as such, are exempt from the State Personnel Act (AS 39.25). While APFC encourages employees to exercise their constitutional rights and civic responsibilities in the political process by voting, supporting candidates and issues, and expressing personal views, some basic guidelines and restrictions apply. In addition, a clear separation must be established between state-related functions performed with state resources and private political activities, which cannot be supported with public funds.

APFC employees must follow AS 39.25.160 regarding political activities and AS 39.52, the Alaska Executive Branch Ethics Act. We summarize these legal requirements as follows. However, APFC employees should read the provisions of AS 39.25.160 (see the State of Alaska Division of Personnel Employee Orientation web page) and review the Executive Branch Ethics section (in the State of Alaska Department of Law web site).

- APFC resources – including but not limited to employee time, equipment, information, or supplies – may not be used to finance or influence, directly or indirectly, candidates for political office, ballot propositions, or public issues of a municipal, statewide or national character, or any other political activities, either partisan or nonpartisan, unless specifically appropriated by the Alaska Legislature and signed by the Governor.

- In the performance of official duties, employees responding to politicians, candidates, or the general public about public policy, political issues, or general information concerning APFC or the Fund shall treat all requests equally and impartially.

- Unless authorized by the Executive Director to represent APFC to outside parties, employees shall not purport to the public that they are representing APFC. To prevent misconceptions when making public statements about a political issue or when representing personal opinions, employees must issue a disclaimer stating they are not representing APFC; failure to do so will result in disciplinary action, up to and including termination.

- No APFC employee may display or distribute partisan political material on APFC work premises or while conducting official business.

- No APFC employee may solicit, require, or coerce funds or support for any political activity in the office or while on official business. In the course of performing official duties, an individual may speak in favor of APFC policy issues reflective of APFC values and goals.

- No APFC employee may solicit, require or coerce any employee or subordinate to submit to any interrogation or examination or psychological test which is designed to elicit information concerning political affiliation or philosophy except as directly related to the performance of the employee's official duties.

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PROFESSIONAL EDUCATION AND TRAINING

This policy is intended to increase the value and retention of APFC employees

The APFC recognizes that skilled employees bring added value to the workplace, and encourages employee participation in higher and continuing educational pursuits, and education relating to some professional designations. The APFC Employee Training Policy (not included in this Guide) covers details about employee eligibility, types of training eligible for employer-covered costs, and training types that are employee cost reimbursable.

EMPLOYEE DISCIPLINE

This policy is to provide uniform guidelines for employee discipline when that is the chosen option of the supervisor. Employee discipline actions may be used typically for work performance issues when an employee is out of compliance with APFC standards and is not meeting position requirements. Termination of the employment relationship may be the outcome of the employee disciplinary action.

At-Will Employment Status

All APFC employees are "at will" employees. Employment at APFC is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice. Thus, the following disciplinary measures do not guarantee continued employment or entitlement of the discipline process by the employee. There is no requirement that any or all of the described disciplinary procedures be followed in any order, or at all, before termination. Depending on the circumstances, any or all of the disciplinary actions or steps noted below may be omitted at any time. Employees in management positions are all excluded from the disciplinary and the grievance processes.

Employee Discipline

An open disciplinary process is one way in which APFC strives to attain its goal of enhancing the best work performance of employees and supervisors. Supervisors should immediately (or as soon as practicable) address employee problems in order to minimize misunderstandings. APFC encourages employees to inform their supervisors of challenges or obstacles that impede deadlines, expectations, or other work-related concerns. APFC encourages supervisors to maintain ongoing contact with employees under their supervision to better assist them in allocating time, energy and resources towards the highest priority projects, and to help minimize the need for disciplinary action. APFC expects employees to be responsible for their own actions and to maintain standards of performance and behavior that reflect APFC's status as a premier organization.

There are many standards upon which an employee's performance and behavior are guided. APFC mission and value statements, PMP policies, job descriptions, class specs, performance objectives and measures, and ethics and disclosure policies are some of the standards to which supervisors determine desired conduct. These standards aid supervisors in determining misconduct that warrants disciplinary actions. When an employee's work performance or behavior on the job becomes inconsistent with APFC standards, APFC reserves the right to take action necessary to resolve the problem.

Disciplinary Procedure

Supervisor Assesses When to Use Disciplinary Action

Ongoing, two-way communication between supervisors and employees often mitigates the need for disciplinary actions. Under certain circumstances, formal corrective disciplinary action may be appropriate. An incomplete list of possible disciplinary actions follows, to serve as examples. Dependent upon the severity of the offense, these actions may occur at

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any time and in any order. Depending on the circumstances, any or all of the disciplinary measures may be omitted at any time, and termination of employment may be the first option. Employment at APFC is "at will," and there is neither a requirement nor a prescribed order to follow any or all of the described disciplinary procedures prior to termination.

Possible Disciplinary Options

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The actions that follow are examples of disciplinary actions. Additional disciplinary actions or immediate termination may be taken as APFC determines.

Verbal Warning

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The supervisor informs the employee of the work-related problem, poor performance, offense, breach of policy, breach of standards of conduct, etc. The two discuss the problem, and the supervisor advises the employee of the necessary corrective measures and provides a timeline for completion of the corrections. The reasons for the verbal warning and any required follow-up are documented in a memo, signed by the employee and supervisor both sign and retained in the supervisor's working file. Verbal warning documents are not placed in an employee's permanent personnel file unless a related offense is committed or the problem recurs and warrants further disciplinary action.

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Written Warning

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At the supervisor's discretion, an initial offense may warrant a written warning to the employee. The written warning summarizes previous warnings of a similar nature, the nature of the current problem, the method and actions necessary to correct the problem, a reasonable time period within which the problem must be corrected, and the outcome (termination, demotion, etc.) should the employee prove unable or unwilling to correct the problem. The written warning requires a review by the HR Officer, the department head, and the Executive Director before its delivery to the employee. After management review, the supervisor (and the HR Officer, if desired) meets with the employee to discuss the written warning. The warning memo must be dated and signed by both supervisor and employee to verify that the supervisor informed the employee of the work-related problem and that the employee understands the issues and recommendations for correction. The employee is provided a copy, and HR retains the original for the employee's permanent personnel file.

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Recommendation for Suspension/Termination

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If the problem has not been corrected within the period specified in the written warning or if within 60 days after completion of the specified period, the employee commits a similar offense, further disciplinary action up to and including termination of employment may be recommended. At the supervisor's discretion, immediate termination without verbal or written warning may be recommended. The termination recommendation must be in writing that includes a supervisory summary outlining the reasons for dismissal and an outline of actions, if any, already taken to correct the problem. The department head must review the recommendation before it is forwarded to both the HR Officer and the Executive Director for approval.

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Suspension

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Department heads and the Executive Director have the authority to suspend employees. Other supervisors may suspend employees under their supervision, but typically suspension results from consultation with a department head or the Executive Director. However, if immediate action is necessary, at their discretion, supervisors may suspend an employee.

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Termination

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Only the Executive Director has the authority to terminate an employee. In accordance with the "exempt" and the "employment at will" status of all APFC employees, the Executive Director has the right to discharge an employee at any time, with or without reason or notice regardless of whether or not disciplinary (corrective) action has been taken.

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Supervisor Authority to Impose Disciplinary Action

For purposes of disciplinary action, the employee's direct supervisor per the organizational chart is the individual who supervises the day-to-day work of the employee and provides direction regarding work projects. The employee may occasionally work on projects or perform regularly assigned duties for a coworker who is not the employee's supervisor. However, no one other than the supervisor, the department head, or the Executive Director is authorized to impose disciplinary action on employees.

Disciplinary Actions and Performance Appraisals

If an employee's regularly scheduled annual performance appraisal date falls within the period for complying with corrective measures specified in a disciplinary action, the appraisal proceeds as scheduled. In such an instance, the supervisor judges the severity of the problem, while also considering the employee's yearlong conduct and performance, including the problem's effect on job performance. The supervisor may recommend a salary adjustment commensurate with performance, regardless of the employee's current disciplinary action status. The fact that an employee is under disciplinary action must be noted in the performance evaluation.

First-time Discharge Offenses

Certain types of employee behavior are serious enough to warrant immediate termination of employment without benefit of the corrective disciplinary steps. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace and warrant immediate termination, however, this list provides broad examples:

- Theft
- Violence
- Dishonesty; i.e., falsification of a major record
- Possession, distribution, sale, transfer of illegal drugs, or substance abuse in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Sexual or other unlawful harassment or discrimination
- Possession of dangerous or unauthorized materials, such as explosives or firearms in the workplace
- Unauthorized disclosure of confidential business information
- Gross negligence in the performance of duties

Employment with APFC is "at will," and either party may terminate the work relationship at any time, with or without reason or advance notice.

GRIEVANCE PROCEDURE

The goals of this policy are to resolve employment complaints at lowest possible level within APFC before more serious problems develop; to provide a channel for APFC employees to voice employment concerns or complaints in an appropriate manner; and to provide a grievance procedure that employees may use without fear of reprisal.

Grievance Defined

In this Guide, grievance means an employee's expressed feeling of dissatisfaction with aspects of working conditions, environment, relationships with supervisors and other employees, a disciplinary action, and the official manner of execution of the personnel policies established or interpreted by the Executive Director.

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Employee Complaints and the Formal Grievance Process

The existence of the Employee Complaint and Grievance Process does not alter APFC's "at will" status. Successful completion of the process does not guarantee continued employment. Employees in management positions and other positions which the Executive Director may designate from time to time are all excluded from the disciplinary and the grievance processes.

Employee Complaints

Misunderstandings and conflicts are often best addressed directly between the parties involved before more serious problems develop. APFC encourages ongoing, two-way communication between coworkers, employees, and supervisors to alleviate misunderstandings and conflict. APFC provides employees the opportunity for training in respectful workplace, interpersonal skills and related topics as one of several ways it demonstrates commitment to employees and value for communication.

When direct communication with the involved party does not resolve an employee's employment-related concern, or if direct communication is not appropriate, the next step involves taking the complaint to the next authority level within the department. APFC strongly advocates personal responsibility in all aspects of work roles and at all authority levels. Therefore, in most instances the supervisor or department head may provide guidance for complaint resolution rather than directly managing the process, unless he/she determines that direct involvement is the most appropriate method for resolution. If necessary, the supervisor, department head, or HR Officer may mediate a discussion between the involved parties. If the employee is unable to resolve the complaint after a mediated discussion, the mediator may recommend a peer review. However, the supervisor or department head may recommend a peer review without a mediated discussion.

Peer Review Committee

If appropriate, a peer review committee may be used to assist in employee complaint resolution. The authority of the peer review committee is advisory. The purpose of the committee is to help resolve employee complaints at the lowest level possible.

Each department solicits volunteers for a primary and an alternate committee member. However, only three employees from other departments serve on the active peer review committee, which typically comprises only the committee members from the uninvolved department(s).

Grievance Filing Procedures

Eligible employees who have a grievance related to their position, working conditions, or employment over which the Executive Director may lawfully exercise discretion, may file a grievance as follows:

1. The employee discusses the grievance with his/her supervisor.

2. If the employee is dissatisfied with the outcome of the discussion, the employee may file a written complaint to his/her supervisor (and a copy to the HR Officer) as soon as possible to retain accuracy of detail, but no later than ten (10) days from the incident causing concern. If the grievance involves the employee's supervisor, an alternate channel is the department head. If the grievance involves the department head, an alternate channel is the HR Officer. The written grievance must include:

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- ~~name~~Name, title, signature of the author, and date
- ~~full~~Full description of the complaint, including full names and direct quotes, if applicable, date(s) and time(s) of incident(s), names of witnesses, if any, location(s) of incident(s)
- ~~desired~~Desired outcome to relieve the grievance
- ~~attachment~~Attachment of related documents

3. The supervisor receiving the grievance must respond in writing within five working days of receipt of the grievance. A complete investigation within a five-day period may not be possible due to many factors such as witness travel, records search etc. Therefore, within the five-day period, the responding management staff provides a status report on the investigation phase and provides an expected completion date. The response includes:

- ~~name~~Name, title, signature of the author, and date
- ~~summary~~Summary of the grievance
- ~~steps~~Steps taken to investigate the grievance
- ~~findings~~Findings of the investigation
- ~~recommended~~Recommended resolution

Appeal Process

1. If the aggrieving employee is dissatisfied with the written response, the decision may be appealed in writing to the next level of authority.
   ~~a.~~i. The written appeal must be made within five workdays of receipt of the response and must be attached to the original grievance and the APFC management response, and must include the reasons for the employee's appeal.

2. If the grievance:
   ~~a.~~i. first went to the employee's supervisor, the appeal is to the department head
   ~~b.~~ii. was filed with the department head, the appeal is to the HR Officer
   ~~c.~~iii. was filed with the HR Officer, the appeal is to the Executive Director

3. The final appeal may be filed with the Executive Director who has the authority to offer final determination for resolution.

4. Each level of appeal has five days to respond in writing to the aggrieved party. If no written appeal is made within this time frame, APFC considers the matter resolved to the employee's satisfaction.

Filing a Complaint of Sexual Harassment or Unlawful Harassment or Discrimination

APFC follows Alaska Administrative Order No. 81 regarding the State's policy on discriminatory harassment. Employees believing they have been subjected to sexual harassment or other forms of discriminatory harassment should contact either their supervisor, department head, the HR Officer for immediate assistance in the grievance process.

Unlawful Harassment Prevention

APFC commits to providing a work environment free from unlawful discrimination and harassment. Therefore, APFC observes a "Zero Tolerance" policy of unlawful discrimination and harassment.

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Employee Protection

Employees covered by these procedures may seek resolution to their grievances without fear of constraint, interference, or reprisal.

~~5.~~ EMPLOYEE SEPARATION FROM APFC EMPLOYMENT

The goal of this policy is to aid in developing an individual separation plan that helps ensure uninterrupted workflow, work product integrity, and completion of all necessary employee separation documentation.

APFC employees are "at will" employees. APFC employment is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice.

Types of Separation

Layoff due to Reduction in Force

Separation initiated by APFC for management reasons outside an employee's control and not relating to an employee's service or performance; e.g., abolition of position, shortage of work, budgetary constraints, etc.

Dismissal or Discharge

Involuntary employment termination initiated by APFC

Resignation

Voluntary employment termination initiated by the employee

Presumed Resignation

Unauthorized absence from work for a period of five consecutive working days may be considered an abandonment of duties and a presumed resignation

Retirement

Voluntary employment termination for eligible staff that meet the specific provisions for retirement eligibility as governed by the State of Alaska Public Employees Retirement System and as administered by the Division of Retirement and Benefits.

Separation Process

Many APFC employees have access to sensitive information, resources, systems, or have significant decision-making authority affecting the Fund. In order to safeguard APFC and the employee, the employee's supervisor is responsible for completing a checklist of items upon receipt of the employee's notice of intent to separate. The exact events and their timing are determined on a case by case basis by circumstances of the departure. In all cases however, both the HR Manager and Executive Director require immediate notification of an employee's intent to separate.

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Steps of the Separation Process:

- Remove the employee from normal job duties and access to sensitive areas.
- Review the employee's job duties and specifically authorize level of access the employee is to retain, up to and including normal working access.
- Review possibility of immediate departure.
- Executive Director may authorize severance pay.
- Review whether to grant severance pay as determined by the Executive Director.
- Provide the employee a copy of the written exit interview questionnaire.
- Conduct a face-to-face exit interview with the supervisor, department head, Executive Director and/or HR Officer.
- Conduct an employee performance appraisal if the last appraisal was effective six or more months prior. The appraisal period covers the date of the last appraisal to the present.
- Provide the employee with a copy of the Reference Authorization Form for his/her signature to keep in the employee's file. Signing the form is optional.
- Provide the employee with the link to the State of Alaska "PX/EX Separating" website.

Resignation Notice

All APFC employees are "at will" and may resign their employment at any time for any or no reason. As a courtesy from the employee, APFC will ordinarily expect at least two weeks advance notice from employees resigning from a position designated from support positions and least four weeks advance notice from employees resigning from all other positions. To the extent permitted by circumstances and available funding, APFC will provide notice of layoffs due to reorganization or budgetary reasons with at least four weeks advance notice or with as much advance notice as feasible.

Immediate Acceptance of Resignation

If an employee provides APFC with notice of resignation and requests, or states, a future effective date, the Executive Director may determine that an immediate departure is appropriate and elect to accept the resignation effective immediately.

Salary and benefits

Regardless of when an employee's salary terminates, the employee's benefits (medical, retirement, paid leave accrual, etc.) are based on the last day actually worked.

Severance Pay

The Executive Director may recommend severance pay to employees involuntarily separated from APFC. All APFC employees are "at will" and may be discharged at any time, for any reason, without notice. APFC has no obligation to provide severance pay to any employee or group of employees. APFC guarantees no length of employment.

Exit Interviews

APFC requests all departing employees to participate in an exit interview, or when that is not possible, to complete an exit interview form. The exit interview is designed to provide employees an opportunity to relay their job-related experiences. APFC strives to elicit honest and candid responses and may use the interview data as suggestions for improvements. Whenever possible, supervisors provide the form to the employee at least two weeks before his/her exit date. The exit

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interview form may be completed during regular office hours. If departure occurs without warning, the employee may be requested to complete and return the exit interview form on his/her own time. The exit interview form is used as a Guideline for the departure interview with the supervisor, department head, HR Officer or the Executive Director. Ideally, it should be completed before the departing employee's final day on the job.

Separation Performance Appraisal

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If/when a departing employee provides separation notice, the supervisor will ordinarily complete a Separation Performance Appraisal if the last performance appraisal occurred longer than six months before their last day of employment. If the exiting employee's supervisor decides a Separation Performance Appraisal is unnecessary, the Executive Director must approve that decision.

The written appraisal requires review by the Executive Director or, in his/her absence, by the HR Officer before the supervisor meets with the departing employee. When signed, the original is retained in the employee's personnel file. The Separation Performance Appraisal is the basis upon which APFC makes future re-hire decisions and employment references.

Reference Authorization Form

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At departure, APFC provides a Reference Authorization Form to the employee that authorizes release of his/her personnel record information. Except for information ordinarily available to the public, the APFC will not release any information about the employee's work performance unless APFC has a signed employee release authorization form. It is advisable that ex-employees make a separate written request for release of reference information every time they require information to be released.

Letters of Recommendation

Occasionally, departing employees request letters of recommendation from their supervisors or the Corporation. All letters of recommendation require review from the HR Officer. At the employee's specific written authorization, additional documents may be attached to a recommendation letter from APFC including copies of performance appraisals and job description(s) and/or class specification(s).

Employment References

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All requests for employment references for ex-employees are routed to the HR Officer. Through a signed Reference Authorization Form the separating employee authorizes a release of information, and either the supervisor or HR Officer provides the requested employment information. The primary source of information for reference checks comes from the Separation Performance Appraisal.

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Use of Personal Leave during Notice Period

APFC limits the use of leave time during the notice period. Leave approval must follow the normal leave request process. The Executive Director must approve any exception to this policy.

PERSONNEL RECORDS

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The goals of this policy are to prescribe procedures that help ensure the maintenance of accurate, timely, secure and complete personnel records and; to inform employees and applicants which records are maintained and where they are stored.

RECORDS MAINTENANCE

Personnel Records

Personnel records are documents relating to an individual's employment, the purpose of which is to accurately record employment histories for every APFC employee. APFC is required to follow the State of Alaska Records Retention Schedule and Guidelines regarding personnel records.

File Locations

~~1.~~ *Central Personnel File/s*

Official hard copy personnel record usually includes employment application/resume and salary & benefit records, normally located in three central files, at: 1) the Department of Revenue, Division of Personnel, 2) Department of Administration, Division of Retirement and Benefits, and 3) APFC HR Offices. Only the APFC personnel file and online secure software contains performance appraisal documents. APFC also keep files on site of personal investment and other disclosure reporting documents.

~~2.~~ *Departmental Personnel File/s*

APFC employees involved in an employee's hire/termination (immediate supervisor, oversight department head, or the Executive Director) may establish/maintain a department personnel file for that individual.

Confidentiality and Access to Personnel Files

~~3.~~

The APFC HR Officer maintains hard copy APFC personnel records. These records are confidential to the extent they include an analysis, evaluation, or critique of an employee's performance. Access to these records is ordinarily limited to the employee, the supervisor, the department head, and the Executive Director. With advance notice, employees may review their own personnel files in the presence of the HR Officer (or the custodian of the department personnel file). Employees may receive copies of any documents in their personnel files with a written request. Employees have the opportunity to include their written comments about each document in their personnel files if the written comments are provided within two weeks of the originating document's completion or within two weeks of reading the file. Employees may not change or remove documents in their file. Employees may access their performance evaluations at any time through logging into APFC's secure online performance evaluation software system.

Employee Complaint Procedure re: Personnel Files

If an employee disagrees with anything in his/her personnel file, in addition to speaking with the HR Officer and writing a note for the file, the employee may also appeal to that employee's supervisor. If necessary, the employee may appeal to the head of his/her department. The final appeal authority is the Executive Director.

Release of Information from Personnel File

Ordinarily, personal information will not be released from a personnel file over the objection of the employee. An employee may provide a written authorization that allows APFC to release information from the file.

Recruitment Files

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Position Recruitment Documents (typically resumes, applications and interview records) are maintained separately in a position search file. APFC follows protocol for maintaining the search file in accordance with the state records retention schedule.

MISCELLANEOUS POLICIES

APFC has additional miscellaneous polices intended to: provide a safe, secure, healthful work environment for employees, customers, vendors, and visitors. Ensure critical operational functions are maintained during an emergency. Ensure the professional appearance of APFC public and shared areas. Assign appropriate accountability and a sense of ownership in all staff. Encourage recycling and waste management in everyday business practices. Enhance the spirit of community, both inside and outside of APFC

General Office Safety

The APFC safety program addresses what to do in the event of a fire, bomb threat, earthquake, medical emergency, and other types of emergency situations. Certain employees are designated as safety officers. (See APFC Emergency Procedures Handbook)

Medical Emergencies

When a medical emergency occurs, direct another employee or individual to call 9-911, for the Juneau Fire Department paramedics. The caller advises the paramedics of the nature and location of the emergency while assisting as necessary with the emergency. APFC schedules CPR certification training periodically for all interested staff. First Aid Kits are kept in the mailroom and break room.

Fire, Fire Drills and Evacuation

In case of a fire, call 9-911 and pull the fire alarm. Alert the Safety Officers and direct others to assist in the effort. If feasible, use a fire extinguisher to put the fire out only if others are calling 9-911 and helping to sound the fire alarm to evacuate the building.

All individuals within the office are required to immediately evacuate the building when the alarm sounds or when there is evidence of fire in the building according to the APFC Emergency Procedures Handbook.

Staff should always inform the receptionist when leaving the office to ensure at least one person at APFC is informed about employees' whereabouts. In case of fire, the receptionist (or Administration staff member) informs authorities of the estimated employee headcount. If you are not in the parking lot and the receptionist is uninformed of your whereabouts, we presume that you are still in the building.

Workplace Safety Hazards

The Administrative Specialist is the building liaison for ongoing maintenance issues and coordinates an internal safety evaluation to identify and correct potential safety hazards. The HR Officer ensures work areas meet ADA accessibility codes.

Bomb Threat Response Plan

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In general, APFC will telephone the Juneau Police Department to report the threat and will follow safety recommendations including assisting with searching the building, securing IT operations, and evacuating the building.

Personal Safety while in Travel Status

- The APFC Travel Officer recommends, schedules or provides periodic personal safety training~~ for business travelers.~~
- Consult with the Travel Officer and/or supervisor regarding questions about personal safety while on travel status~~.~~
- Your hotel front desk or security personnel may address hotel safety concerns~~.~~

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Visitors in the Workplace

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The APFC reception area is the designated entrance for all visitors. The receptionist will alert employees that a visitor has arrived and will request the employee to escort the authorized visitor, or the receptionist will escort the visitor to the appropriate location. Visitors authorized by staff must be escorted on site to provide for the safety and security of employees and facilities. Employees are responsible for the conduct and safety of their visitors here by invitation. Employees may request assistance from management if their visitor becomes unruly, disruptive, or violent. If an employee observes an unauthorized individual in the office, the employee should inquire whether the individual needs assistance and to escort them to the reception area.

Workplace Violence Prevention

APFC has “Zero Tolerance” for violence in the workplace. A safe and secure work environment is of utmost importance. All employees, visitors, vendors, contractors, and business associates are always to be treated with courtesy and respect. Employees are expected to refrain from fighting, “horseplay,” or other misconduct that may be dangerous to others.

In the case of threats or actual violence committed at the APFC work site, or against an APFC employee offsite, outside authorities may be called to intervene and investigate. This policy applies to employees and non-employees. Any APFC employee threatened with violence or who has a violent act committed against him/her while at the APFC office, or while representing APFC offsite, must report the incident to the supervisor or any APFC department head as soon as possible. Your report of violence, threats of violence, or suspicions of violence is the first step in halting further occurrences. Retaliation against an employee for making a good faith report is forbidden.

Weapons

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APFC prohibits weapons of any kind at the workplace. APFC employees who bring weapons to the workplace – even if they have permits to carry a concealed weapon – are subject to employee discipline, up to and including immediate employment termination.

Building Security

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- The Michael J. Burns Building management contracts with a local firm for building security. Contact APFC Administration or management staff to report security or safety-related problems or concerns regarding the building or APFC offices~~.~~
- Inform your supervisor, the receptionist and others whom you trust if you will be working after normal office hours so that others know you are in the building~~.~~

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- Use the elevator to enter or exit the APFC floor if you are working beyond posted work hours.
- Your key fob opens doors to both the building and APFC office suites during non-business hours.
- Do not prop the office suite door open, even if you are in the office.
- Shut the main office suite door behind you to ensure security of the office in your absence when exiting the office suites for any length of time.
- Park your car in the well-lit areas of the parking lot.
- Be aware of individuals near the building entrance when entering or exiting after hours.
- Do not enter or exit the building if you are concerned for your safety.
- Do not prop the building exterior doors open for any reason.
- If you are concerned for your safety after hours and are in the office alone, call the Juneau Police to check building security or to escort you to your car. If two or more employees are working after hours, ask your coworker to escort you to your car or leave together
- Locks to all APFC doors are monitored by Administration.
- At hire and when necessary, key fobs are issued to employees and are collected at separation.
- Immediately report a lost key fob to Administration to guard against unauthorized access.

Emergency Office Closing

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. Extreme circumstances may require APFC to close the office.

In the event of an emergency that affects all State of Alaska employees in Juneau or statewide during work or nonworking hours, APFC follows the Executive Branch's announcement. Upon hearing the broadcast, APFC employees require no further verification from APFC management about office closure.

A separate emergency closing process is required for investment-related responsibilities in conjunction with management and appropriate IT staff. Investment staff may be required to work in another location at the direction of the Executive Director or the Chief Investment Officer or a designee. If appropriate, employees may need to follow the Business Continuity Plan.

If an emergency occurs and affects only APFC employees or Michael J. Burns Building workers and the APFC office must be closed, APFC will observe the following procedures:

- The Executive Director, HR Officer, or any other department head in the absence of these two, announces the APFC office closure.
- APFC follows procedures required by the Executive Branch emergency closure announcement.

If an emergency closure is called either through an order of the Executive Branch or through APFC management, employees are compensated in accordance with State rules and regulations regarding such events. In cases where an emergency office closure is not authorized, employees who fail to report for work will be required to submit a leave slip.

APFC Technology

Workplace Monitoring

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To ensure quality control, employee safety and security, APFC management may conduct workplace monitoring. APFC is responsible for all employee workstations. Your use of the station and the equipment is as an employee and not owner. All resources furnished to employees are APFC property. APFC is obliged to ensure that equipment and employee time are used for business purposes. Therefore, computer use and files may be monitored or accessed and other equipment use justified to APFC satisfaction. APFC makes every effort to conduct workplace monitoring ethically and respectfully. Through the practice of this policy, APFC disallows any expectation of employee privacy of workstations, email, electronic and hard copy files.

Computer Rooms/Access to Network

- IT Staff ensure computer rooms are secured at all times~~.~~
- IT Staff update the electronic systems security periodically and review security to ensure only authorized staff members have access. IT staff immediately relay systems security concerns to APFC management. IT staff remain current in security technology to apply necessary upgrades
- All employees are required to follow IT staff recommendations regarding systems security

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Employee Responsibilities for APFC Technology

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- Follow IT staff instructions for the safe use of computer networks~~.~~
- Follow all applicable laws regarding use of digital devices while driving. The same policy applies for avoiding other driving distractions~~.~~
- Keep technology devices that are under your care within your control~~.~~
- Safeguard data integrity through the use of strong passwords
- Follow IT staff recommendations regarding care in opening email attachments and Internet downloads to keep computer systems secure and virus-free~~.~~
- Learn to correctly use the technology in your care to safeguard against damage and privacy breaches~~.~~
- Bring questions about the use of APFC technology resources to APFC IT staff

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Employee Personal Use of APFC Resources

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APFC'S mission is accomplished through efficient use of time and resources. To that end, APFC provides employees with the technology and resources necessary to perform their jobs and requests employees to make the best use of the resources provided. APFC requires legitimate business use of employee time and resources. APFC is governed by the Alaska Executive Branch Ethics Act, AS 39.52 and by the State Policy on Employee Use of State Technology. Employees must acknowledge the Employee Use Policy in writing.

Office Resources

~~Maintenance of Shared Areas~~

Lobby, Conference rooms, Break room, Mailroom

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- All staff share responsibility for the upkeep of APFC shared areas. A tidy and presentable appearance is necessary to represent APFC as a professional organization. ~~.~~All areas should be left in the same or better condition than you found it.
- Administration will periodically coordinate team-cleaning efforts~~.~~
- Coffee and food service items from individual staff, meetings or guests are the responsibility of the individual or departmental staff hosting the meeting~~.~~

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Coffee/Tea Fund

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The employee break room and coffee equipment and supplies are 100% APFC employee-funded. Administration collects user fees and maintains a staff coffee fund.

Break Room

The break room is for employees needing a break from job duties and a place to prepare and eat food. Break room upkeep operates on the honor system: If you mess it up, clean it; if you empty it, replenish it; if you take it out, put it back. Employee donations operate this room since no APFC funds may be used.

Storage Room Supplies

The storage room contains bulk office supplies or occasional-use items. Access to this room is limited and is not suitable for storing records, even temporarily. Administration oversees layout, content, security, and quarterly cleanups by staff using the room~~.~~

~~*The storage room is not suitable for storing records, even temporarily.*~~

~~*Administration oversees layout, content, security, and quarterly cleanups by staff using the room.*~~

Board Room and Conference Rooms

- ~~Administration staff schedule and coordinate the use of all office conference rooms.~~

Users are responsible to ensure the room is returned to the same order in which it was found.

~~A signed user agreement authorization form regarding equipment use, cleanup, furniture and room security is required before use of the HMBR.~~

Community Volunteer Involvement

APFC supports employee involvement in the community through volunteer efforts and encourages employee time contributions to community service organizations

Waste Reduction and Recycling

APFC complies with state statutes requiring and encourages recycling.

~~Communicating via e-mail versus paper~~
~~Using two-sided copies when paper is required~~
~~Using electronic business forms~~
~~Routing reports via email not hard copy~~
~~Reusing all office supplies when possible~~
~~Turning off lights when not in use~~
~~Sending used equipment to the State of Alaska Surplus~~
~~Ordering high-use items in bulk~~
~~Providing users and inquiries with links to apfc.org or pdfs rather than mailing documents~~
~~Keeping policy manuals in a shared drive~~

Smoking~~ of Any Kind is Prohibited~~

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APFC abides by AS 18.35.300-18.35.365 and CBJ laws regarding smoking. Smoking, which includes E-Cigarettes, is prohibited in the Michael J. Burns Building complex and within 10 feet of the building exterior except in a designated covered smoking shed. This policy applies to all employees, customers, and visitors.

Solicitation ~~is Prohibited in APFC Offices~~

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Employees may not solicit business, interest, recognition, or distribute literature or promotional items concerning non-work activities during working time. Working time does not include lunch periods or other periods in which employees are not on duty. For more information see the State Employees Ethics Handbook.

Authorizations and References Relating to APFC Personnel Management

18.35.100 - 18.33.365 Regulation of Smoking in Public Facilities

AS 37.07 Executive Budget Act
It may be construed from AS 37.07 that the legislature must approve all new positions of more than one-year duration.

AS 37.13.100 Alaska Permanent Fund Corporation / Staff
Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.

AS 39.20.110-350 Compensation, Allowances and Leave
Provides that State travel and leave rules apply to APFC

AS 39.25.110(11)(B) State Personnel Act / Exempt Service
Exempts APFC from the State Personnel Act AS 39.25, thereby authorizing APFC to design and implement rules and a salary program that provides a framework for salary, hiring and related personnel decisions.

AS 39.25.160 State Personnel Act
Prohibitions Generally: Includes exempt service in subsection regarding political activities and other topics

AS 39.52 Executive Branch Ethics Act
Addresses: Outside Employment Restrictions, Gifts, and other topics

APFC Bylaws Article II, Section 4

Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.

Article II, Section 8

Provides that the Executive Director shall employ personnel s/he deems necessary to exercise her/his powers, duties and functions under AS 37.13; determine employee compensation; and that those decisions shall be made within APFC budget limitations as approved by the Board and in compliance with policies established by the Board.

Administrative Order 81 Regarding unlawful harassment

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PMP Employee Handbook Receipt and "Employment-At-Will" Status Acknowledgment

Employees are required to acknowledge receipt of the Employee Guide and the "at will" status of employment, through signing this page.

The Personnel Management Program (PMP) Employee Guide describes important information about APFC, employment policies, employee benefits, and employee and employer obligations. I understand that I should contact and request clarification from my supervisor, the HR Officer or the Executive Director regarding any questions not answered in the Guide.

I have entered into my employment relationship with APFC voluntarily and acknowledge there is no specified length of employment. Employment is considered "Employment-At-Will." Accordingly, either APFC or I can terminate the employment relationship "at will," with or without reason, at any time.

Since the information, policies, and benefits described here are necessarily subject to change, I understand there may be revisions to the Guide. If changes are made, they will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the APFC Executive Director has the ability to authorize revisions to the policies in this Guide.

Employee Acknowledgment

Through my signature below, I acknowledge that I have received the APFC PMP Employee Guide, and I accept responsibility to read, understand, and comply with the policies and revisions of the Guide.

Employee Name		Title:	
Employee Signature:		Date:	
Chad A. Brown:		Date:	

HUMAN RESOURCES MANAGER & ETHICS OFFICER

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PMP - EMPLOYEE HANDBOOK

2018 Edition

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Mission, Vision & Values

Mission

To manage and invest the assets of the permanent fund and other funds as designated by law

Vision

To deliver sustained, compelling investment returns as the United States' leading sovereign wealth endowment manager, benefitting all current and future generations of Alaskans

Values

Integrity: We act in an honorable, respectful, professional manner that continually earns and justifies the trust and confidence of each other and those we serve.

Stewardship: We are committed to wisely investing and protecting the assets, resources and information with which we have been entrusted.

Passion: We are driven to excellence though personal improvement, innovative solutions and an open creative culture; and are energized by the challenges and rewards of serving Alaskans

Introduction

The PMP formalizes in policy important corporate employment practices, initially developed with input from Alaska Permanent Fund Corporation (APFC) employees, Trustees, and a consultant. The Executive Director is responsible for PMP implementation.

This Employee Handbook (Handbook) outlines those elements of the PMP with which all employees must be knowledgeable to effectively carry out their job responsibilities and contribute appropriately to the APFC mission. As support for employees, the PMP establishes an obligation for APFC to provide each employee the most appropriate opportunity to perform effectively.

Open and timely communication and understanding at all levels of APFC employment is vitally important to PMP implementation. The value of teamwork is critical to the success of the PMP and each employee; teamwork extends employees' understanding of job responsibilities, supervisory roles, and other work-related relationships. Each employee's individual contribution adds to the success of the entire APFC organization.

No employee manual can anticipate every circumstance or question about policy. As APFC continues to grow, the need to change policies may arise. Therefore, APFC reserves the rights to revise, supplement, or rescind any policies or portion of this manual. The HR Officer will notify employees as soon as is practicable of changes to the Handbook.

In order to retain necessary flexibility in the administration of policies and procedures, APFC reserves the rights to revise any of the policies and/or benefits described in this handbook.

Employment-at-will Status

APFC is an at-will employer and neither the employee nor APFC is obligated to continue the employment relationship if either chooses, at will, to end the relationship at any time for any or no reason. The protection of general employment laws applies to APFC employees.

Employment Overview

Organizational Chart

APFC Organizational charts are updated periodically as needed and available through the HRIS system or by request.

Disclosure Requirements

APFC employees are required to disclose financial investments in writing on an annual basis and within 30 days of a transaction for holdings they control an interest in whether or not they are a beneficiary of those investments. They must also disclose investments for household members and others they exercise a role as power of attorney or trustee. These disclosures are public documents.

Investment officers, Trustees and the Executive Director must additionally submit – online – conflict of interest statements to the Alaska Public Offices Commission (APOC) through the APOC website. Also as condition of employment, both APFC and the State of Alaska require employees to disclose conflicts of interest.

For more information on disclosure requirements please see the APFC Administrative Policy relating to Personal Investments Conduct and Reporting Conflict of Interest Law Alaska Executive Branch Ethics Act.

Equal Employment Opportunity

APFC provides equal employment and advancement opportunities to all. APFC follows all applicable laws and does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other class protected by law.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, any department head, or the HR Manager. Employees can raise employment-related concerns and make reports without fear of reprisal. APFC prohibits employment decisions based on whether or not an employee files or does not file a discrimination complaint regarding himself/herself or a coworker. Anyone found engaging in unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Disability Accommodation

APFC is committed to complying with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons under this Act. All employment practices and activities are conducted on a nondiscriminatory basis. APFC also prohibits discrimination against qualified employees or applicants because they are related to or associated with a person with a disability.

Nepotism and Hiring of Immediate Family Members

The Executive Director must preauthorize all APFC hires. Immediate family members of APFC employees may be hired only if: (1) Executive Director approval is obtained, (2) they will not work directly for or supervise a relative, and (3) they will not work in the same department within APFC.

For the purposes of this policy, a relative or immediate family member includes the spouse of the employee, another person cohabiting with the employee in a conjugal relationship that is not a legal marriage, a child, including a stepchild and an adoptive child of the employee; a parent, sibling, grandparent, aunt, or uncle of the employee, and a parent or sibling of the employee's spouse.

APFC prohibits hiring APFC Board of Trustee members (per AS 37.13.100). Additionally, APFC prohibits hiring immediate family members of current APFC Trustees. If a Trustee is appointed to the APFC Board and is also related to a current employee, the Boards and Commissions Office within the Office of the Governor is notified. APFC will then follow appropriate recommendations made by the Boards and Commissions Office.

Before finalizing a decision to hire an employee's immediate family member, APFC may require both family members to sign a nepotism waiver, stating that both members understand the policy and limitations for potential future career advancement due to the position held by the other family member. APFC does not accommodate organizational movement of an immediate family member for the sole purpose of allowing career advancement for the other family member.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

Outside Employment

Employees may hold employment outside of APFC as long as they meet the performance standards of their APFC job and that such outside employment does not conflict with APFC job duties and responsibilities, corporate values, or the Alaska Executive Branch Ethics Act. All employees are encouraged to read the Alaska Executive Branch Ethics Act, as they will be responsible for abiding by it. Employees are judged by the performance standards and measurements detailed in their

individual position descriptions and/or their individual employee performance appraisals without consideration for the outside work requirements and are subject to APFC's scheduling demands, regardless of existing outside work requirements.

Employees are required to notify the APFC ethics supervisor in writing about outside employment immediately upon accepting outside employment in accordance with the Alaska Executive Branch Ethics Act (AS 39.52.170). The ethics supervisor determines if a conflict of interest exists. If a conflict exists, the employee must rectify the conflict immediately.

If APFC determines at any time, even after granting initial approval, that an employee's outside work interferes with his/her ability to meet APFC work requirements, APFC's needs supersede the other employer considerations.

Employees are prohibited from receiving any income or material gain from individuals outside APFC for materials produced or services rendered from performing their job responsibilities or duties with APFC. The Alaska Executive Branch Ethics Act restricts certain employment for two years after leaving state service. All former employees are required to notify the ethics supervisor of employment with outside agencies for up to two years after leaving APFC service.

Nondisclosure of Confidential Information

APFC sometimes presents at public forums featuring employee panelists that provide information regarding APFC and staff opinions on economic and market trends and other topics. APFC employees are sometimes guest speakers for public and community organizations. As a public corporation, APFC is also subject to the state public records act and federal Freedom of Information Act, whereby citizens may rightfully request information from the Corporation.

However, the protection of APFC confidential business information and trade secrets is vital to its interests and success. Such confidential information may include, but is not limited to, the following examples:

- investment information
- financial information
- personnel information
- computer processes
- computer programs and codes
- pending projects and proposals
- building or equipment security information

Employees who improperly use or disclose trade secrets or confidential business, security, or personnel-related information will be subject to disciplinary action, up to and including termination of employment, even if they do not benefit from the disclosed information.

Compensation Classification

APFC Market Guided Classification Method

Elements of the APFC Market Guided Classification (MGC) method are:

- Authority, scope and responsibility for making decisions
- Level of risk and ability to add value to the Corporation
- Supervisory and/or expert knowledge as well as decision-making complexity and difficulty as defined by mental and physical effort and required job skills

The Executive Director may consider corporate equity within the classification process. Under MGC, positions performing similar work are grouped under one broad classification where possible to provide classification flexibility while maintaining objectivity and discipline.

Class Specifications

- Captures the body of work that belongs to the Corporation
- Serves as the framework of employment

Job Description

- Reflects what the person in the position does
- Determines where the person fits in the class specification
- Changes with the person
- Serves as the basis of evaluation

Supervisors and employees are encouraged to annually review class specs and job descriptions to ensure they continue to fit the actual duties. The HR Officer and the supervisor review any revisions to ensure the job description fits the class specs and is consistent with the corporate structure. Both parties periodically review the class specs to ensure current relevance.

Compensation Philosophy & Structure

APFC strives for a compensation program that competes well in the market and motivates all employees to bring their best efforts to the workplace. The program provides a systematic means of tracking, measuring, and compensating employee performance and allows flexibility for APFC to act quickly.

Salary Structure

APFC's salary structure identifies the position hierarchy and the resulting salary ranges for each classification. The basis for calculating competitive pay is achieved through:

- Market compensation surveys conducted periodically
- An effort to place APFC's salary range midpoint based on the 50th percentile of market where feasible and consistent with the classification plan

Market Surveys

APFC tries to achieve external parity in compensation through the use of periodic market surveys and other appropriate techniques. As a general rule, the HR Officer oversees scheduling market surveys every other year. Circumstances may dictate a departure from this schedule.

Structure Calculation

Midpoint	50th percentile of market data
Minimum and Maximum	Calculation of range spread from midpoint
Range Spread	50% to 100%, depending on the classification level
25th and 75th percentiles	Calculated from minimum, midpoint and maximum

APFC Salary Structure – Effective 12/2017 (Pending Approval)

Positions	Department	Current Classification	Salary Level (Current Structure)	Salary Level based on Consultant Data	Current Min	Current 25th	Current Mid	Current 75th	Current Max
Intern	Admin	O-01	1	1	$ 31,660	$ 35,618	$ 39,576	$ 43,533	$ 47,491
Administrative Assistant	Admin	O-02	2	2	$ 37,802	$ 42,528	$ 47,253	$ 51,978	$ 56,703
Administrative Assistant II	Admin	O-03	3	3	$ 42,906	$ 48,269	$ 53,632	$ 58,996	$ 64,359
Administrative Specialist - General	Admin	O-04	4	3	$ 42,906	$ 48,269	$ 53,632	$ 58,996	$ 64,359
Administrative Assistant III	Admin	O-04	4	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
Administrative Specialist - Procurement	Admin	O-04	4	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
Accountant	Finance	O-06	6	4	$ 48,702	$ 54,789	$ 60,877	$ 66,965	$ 73,053
IT Desktop Support	IT	O-06	New	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Administrative Assistant IV	Admin	O-05	5	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Administrative Specialist II	Admin	O-05	5	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Accountant II	Finance	O-05	New	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
Operations Analyst	Finance	O-05	5	5	$ 55,276	$ 62,186	$ 69,095	$ 76,005	$ 82,914
IT Desktop Support II	IT	O-06	New	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Administrative Specialist III	Admin	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Executive Assistant	Admin	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
HR Generalist I	Admin	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Portfolio Accountant I	Finance	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Investment Analyst	Investments	I-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
IT Specialist	IT	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Operations Analyst II	Finance	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Performance & Compliance Analyst	Finance	O-06	6	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Sr Operations Analyst	Finance	O-07	7	6	$ 60,303	$ 69,349	$ 78,394	$ 87,440	$ 96,485
Portfolio Accountant II	Finance	O-07	7	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$ 109,527
HR Generalist II	Admin	O-07	7	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$ 109,527
Investment Analyst II	Investments	I-07	7	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$ 109,527
IT Specialist II	IT	O-07	7	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$ 109,527
Sr Operations Analyst II	Finance	O-08	8	7	$ 68,455	$ 78,723	$ 88,991	$ 99,259	$ 109,527
Adminstrative Services Officer / Manager	Admin	O-08	8	8	$ 77,770	$ 89,436	$ 101,102	$ 112,767	$ 124,433
Investment Analyst III	Investments	I-08	8	8	$ 77,770	$ 89,436	$ 101,102	$ 112,767	$ 124,433
Sr Accountant	Finance	O-08	8	8	$ 77,770	$ 89,436	$ 101,102	$ 112,767	$ 124,433
Sr IT Specialist	IT	O-08	8	8	$ 77,770	$ 89,436	$ 101,102	$ 112,767	$ 124,433
Adminstrative Servisces Officer / Manager II	Admin	O-09	9	9	$ 88,251	$ 101,488	$ 114,726	$ 127,964	$ 141,201
RE Investment Analyst	Investments	I-09	9	9	$ 88,251	$ 101,488	$ 114,726	$ 127,964	$ 141,201
Sr Accountant II	Finance	O-09	9	9	$ 88,251	$ 101,488	$ 114,726	$ 127,964	$ 141,201
Sr Investment Analyst	Investments	I-09	9	9	$ 88,251	$ 101,488	$ 114,726	$ 127,964	$ 141,201
HR Officer / Manager	Admin	O-09	9	10	$ 95,555	$ 112,277	$ 128,999	$ 145,721	$ 162,443
RE Investment Analyst II	Investments	I-10	10	10	$ 95,555	$ 112,277	$ 128,999	$ 145,721	$ 162,443
Sr Accountant III	Finance	O-10	10	10	$ 95,555	$ 112,277	$ 128,999	$ 145,721	$ 162,443
Sr Investment Analyst II	Investments	I-10	10	10	$ 95,555	$ 112,277	$ 128,999	$ 145,721	$ 162,443
Sr IT Specialist II	IT	O-09	9	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
Controller	Finance	O-10	11	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
Director of Admin/Operations	Admin	O-11	11	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
Portfolio Manager	Investments	I-11	11	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
Communications Manager	Admin	O-11	New	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
Sr Investment Analyst III	Investments	I-11	11	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
Director of Risk Management	Investments	I-13	13	11	$ 109,171	$ 128,276	$ 147,381	$ 166,486	$ 185,591
HR Officer / Manager II	Admin	O-10	10	12	$ 124,630	$ 146,440	$ 168,250	$ 190,061	$ 211,871
Portfolio Manager II	Investments	I-12	12	12	$ 124,630	$ 146,440	$ 168,250	$ 190,061	$ 211,871
Sr Investment Analyst IV	Investments	I-12	12	12	$ 124,630	$ 146,440	$ 168,250	$ 190,061	$ 211,871
Director of Human Resources	Admin	I-13	13	13	$ 142,411	$ 167,333	$ 192,255	$ 217,177	$ 242,099
Sr Portfolio Manager	Investments	I-13	13	13	$ 142,411	$ 167,333	$ 192,255	$ 217,177	$ 242,099
Sr Portfolio Manager	Investments - Pri	I-13	13	13	$ 142,411	$ 167,333	$ 192,255	$ 217,177	$ 242,099
Sr Portfolio Manager	Investments - FI	I-13	13	13	$ 142,411	$ 167,333	$ 192,255	$ 217,177	$ 242,099
Director of IT	Executive	O-11	11	14	$ 162,676	$ 191,144	$ 219,612	$ 248,080	$ 276,548
Sr Portfolio Manager II	Investments - RE	I-14	14	14	$ 162,676	$ 191,144	$ 219,612	$ 248,080	$ 276,548
Sr Portfolio Manager II	Investments - FI	I-14	14	14	$ 162,676	$ 191,144	$ 219,612	$ 248,080	$ 276,548
Chief Financial Officer	Executive	O-13	13	15	$ 185,743	$ 218,248	$ 250,753	$ 283,259	$ 315,764
General Counsel	Executive	O-14	14	15	$ 185,743	$ 218,248	$ 250,753	$ 283,259	$ 315,764
Director of Investments	Investments - FI	I-15	15	15	$ 185,743	$ 218,248	$ 250,753	$ 283,259	$ 315,764
Director of Investments	Investments - RE	I-15	15	15	$ 185,743	$ 218,248	$ 250,753	$ 283,259	$ 315,764
Director of Investments	Investments	I-15	15	15	$ 185,743	$ 218,248	$ 250,753	$ 283,259	$ 315,764
Sr Director of Investments	Investments	I-17	16	16	$ 212,175	$ 249,306	$ 286,436	$ 323,567	$ 360,698
Deputy CIO	Investments	I-17	17	17	$ 218,134	$ 272,668	$ 327,201	$ 381,735	$ 436,269
Chief Investments Officer	Executive	I-18	18	18	$ 249,175	$ 311,468	$ 373,762	$ 436,056	$ 498,350
Executive Director / CEO	Executive	O-18	18	18	$ 249,175	$ 311,468	$ 373,762	$ 436,056	$ 498,350
Pay Grade Future Growth		O-19/I-19	19	19	$ 284,632	$ 355,790	$ 426,948	$ 498,107	$ 569,265
Pay Grade Future Growth		O-20/I-20	20	20	$ 325,136	$ 406,419	$ 487,703	$ 568,987	$ 650,271

Classification & Compensation Authority

AS 37.13.100

Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.

APFC Bylaws, Article II, Section 4

Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.

APFC Bylaws, Article II, Section 8

Provides that the Executive Director shall employ personnel he/she deems necessary to exercise his/her powers, duties, and functions under AS 37.13; determine employee compensation; and makes these decisions within APFC budget limitations as approved by the Board in compliance with polices established by the Board.

Authority for Position Classification & Compensation Actions

Classification / Compensation Action	Approval Authority
• Hiring Executive Director • Establishing and adjusting Executive Directory compensation • Amending the compensation structure	Board of Trustees
• Amending position classification structure • Hiring employees (within Board approved budgeted appropriation) • Establish pay rates for new hires • Promoting staff • Adjusting staff compensation for performance based increases (excluding Executive Director) • Adjusting staff compensation outside the evaluation cycle and merit increase provisions but within existing classification and compensation structure • Reclassifying positions within existing classification structure	Executive Director

Administrative Guidelines for Classification & Compensation

The administrative guidelines provide definitions and directions for implementing and maintaining the classification and compensation structures. Any substantive change to the compensation structure requires Board review and approval.

Review of Classification and Compensation Structures

APFC will periodically review class specifications to update the type and level of work described in the class specification for each position, or to reclassify the position.

- One of the purposes of the review is to check the internal balance of the compensation scheme
- The supervisor and the HR Officer conduct class specification reviews
- The HR Officer periodically obtains a professional market compensation survey
- The Executive Director has final approval of all changes to class specs within the existing classification and compensation structures

Compensation Considerations at Hire

APFC salary administration strives to balance the need to attract strong talent while maintaining a fiscally responsible approach to the hiring process. Each hire will be extensively evaluated and offers will be made with a commitment to ensure we provide compelling compensation commensurate with positional responsibilities and candidate experience.

Appointment below the minimum may be allowed as an under-fill option. This option allows APFC to hire individuals who lack the minimum qualifications for the position. There are many reasons this may occur, including but not limited to lack of candidates fully qualified for a position. Individuals hired below the minimum qualifications must meet the minimum qualifications within that position's introductory period. (Refer to the "Introductory Period" section of this Guide.)

Post-Survey Salary Adjustments

Employee compensation shall not be less than the minimum or exceed the classification's salary range maximum. After a market survey (normally scheduled every other year) is completed and the compensation structure is adjusted, an employee's salary may fall outside the new range. If (a) the salary is below the minimum, it shall be adjusted upward to fall within the range; if (b) the salary is above the maximum, the salary will be frozen and not reduced to fall within the range.

Length of Introductory Period

The new hire orientation and introductory period is designed to provide a sufficient length of time that allows the employee to perform the full range of essential duties of the job. Administrative support positions require six months; all others require 12 months. In allowing for an orientation and introductory period, APFC as an "at will" employer makes no guarantee of employment for a particular period of time up to, through, or beyond the orientation and introductory period.

Promotion and Reclassification

Promotion

An employee promotion is defined as when an employee accepts the offer extended from APFC to move into an existing position within the same occupational area at a higher-level class specification. The higher position may have a different "personnel classification number" (PCN), however, the PCN is not a criterion defining a promotion. Among other considerations, promotion offers are based on an employee's current performance. At the time of offer, or by the end of the introductory period, an employee must meet the minimum qualifications of the position offered. A promoted employee's salary must be at least the minimum of the higher position's salary range. Other general Guidelines are that the salary may remain the same if it is at or above the new position's minimum, or may be increased to typically 10% over the promoted employee's current salary; but if over 10% it usually does not exceed the midpoint of the higher position's range.

Reclassification

Reclassification occurs when a significant change in the responsibilities of a position warrants moving the position to another classification. This change can be to a higher, lateral or lower class level. Reclassification may or may not be to an already existing job class spec. Reclassification of a position may or may not warrant a change in the reclassified position's salary grade.

Merit Salary Increases (not incl. promotions and reclassifications)

Decisions to extend a performance-based salary increase are based on merit and positive work contribution; not longevity. The granting of merit increases is not a guarantee of continued employment and does not alter the "at will" status of APFC employees.

The appropriate times to offer performance-based salary increases are:

1. **Upon January 1 for performance during the prior year,** in accordance with the performance appraisal process and merit scale (see following section). An employee who has worked an incomplete year in a position may receive a pro-rated performance-based salary increase on January 1 based upon the amount of time worked between their new position starting date and December 31, the end of the performance review period.

2. **One-time allowance** (*with controls in place to ensure that it is not awarded a second time during the fiscal year annual review*). A one-time allowance is a percentage increase to the base salary for a specific period:

- *For an employee who assumes full authority, for at least a month, to execute all job responsibilities for a supervisor or coworker whose class specification is at a higher classification level, while the supervisor or coworker is absent from work (e.g., family leave), or while the position is vacant.* The employee's salary may be temporarily increased to the minimum of the higher position's salary grade or 10% over the employee's current salary but typically does not exceed the midpoint of the higher-level position's salary grade. If the employee assumes a major portion (at least 50% but not 100%) of the authority level and job responsibilities of the higher position, the salary may be temporarily increased in proportion to the additional higher-level job functions but cannot exceed the increase paid for assuming 100% authority level.

- *For an employee whose work performance results in a work product that adds value to the ongoing operations of the APFC.* The work product belongs to the corporation when the employee leaves. APFC allows for one-time recognition of performance that would not otherwise be compensated, except as part of the employee's base pay.

3. **Other:** The Executive Director has the authority to make adjustments to assure internal equity

PERFORMANCE MANAGEMENT

Performance Management provides opportunities for official recognition of an employee's achievements, provide suggestions for performance improvement, and provide the opportunity for employee career counseling. Performance appraisals relay APFC work expectations, develop performance objectives, and evaluate work performance.

APFC supervisors are encouraged to regularly review employee work performance on an informal basis. Annually, supervisors conduct a formal Employee Work Performance Appraisal/Evaluation. This is the official documentation of an employee/ supervisor discussion of employee work performance for the annual review period. The performance appraisal process or rating does not alter the "at will" status of APFC employees.

Performance Appraisal system elements

Class Specification	Captures the body of the work that belongs to the Corporation and is the legal framework of employment.
Job Description	Reflects what the person in the position does, determines where the person fits in the class specification, changes with the person, and provides criteria against which the employee is evaluated.
Periodic Interim Reviews	As needed – provides an informal and interactive process during the year to identify changes in the position or goals and promotes open communications.
Annual Performance Appraisal	Documents the formal process using a performance measurement system that focuses on competencies and goals. (See "Performance Appraisal Process" for details.)

It is upon the completion of the performance appraisal, and based on work performance, that pay adjustment or position movement is based. The appraisal is also a planning tool that details the next year's work performance objectives, the employee development plan, and measurable goals.

Annual Performance Appraisal/Evaluation Process

The annual performance appraisal/evaluation process begins in the 4th Quarter of the Calendar Year during performance period year end. The process may involve an employee self-review and may include peer reviews. Self-reviews will not technically factor into the quantitative rating but rather be used as information for the supervisor, who is the only person in the process whose rating technically factors into the evaluation score. Following the supervisor's review is a review and approval hierarchy, which varies depending on the position under review. Upon completion of each step in the process, the next individual in the queue is prompted to complete their task until the review is final. Salary adjustments may occur when all parties involved in the process for an employee have completed their tasks. The performance appraisal discussion between supervisor and employee and any resulting pay adjustment or position movement discussion may occur at different times and are processed separately.

The Performance Appraisal includes

Looking back by:

- Conducting a position review, documenting changes since hire or since the last position review
- Conducting a comprehensive review of the employee's performance during the performance review period to compare expectations to actual performance

Looking forward by:

- Determining measurable goals and/or projects for the next year
- Identifying tools and creating a training program to meet those new goals
- Identifying specific performance areas needing concentrated effort during the next year

Recommendation for pay action

If the supervisor's rating of an employee's performance warrants a pay increase after all levels of review and approval are completed, HR initiates a pay action. A copy of the pay action is placed in the employee's personnel file. HR notifies employees of upcoming changes to their compensation.

Change of supervisor

Outgoing supervisors should conduct change of supervisor performance appraisals for employees under supervision who have not received an appraisal within the past six (6) months.

Merit Scale

The merit scale is calculated each year, based upon criteria determined by management; e.g., anticipated percentage of money available for salary adjustments. The scale has five performance levels. Employees receive merit increases to their base salaries each year based upon the results of their annual fiscal year performance evaluations.

Detailed definitions of the Ratings Used in Employee Work Performance Appraisals

Far exceeded the expectations; this year's contribution clearly moved the business forward. Employees with this overall rating consistently far exceed the requirements in all areas of their position. Or, the employee worked at length on a project, the results of which far exceeded requirements and expectations of this single, extraordinary event that clearly moved the business forward. Their supervisor and other staff easily recognize the employee's high achievements for success of the project, and can clearly attribute the success to the employee's contribution. Employees with this overall rating consistently and constructively review the processes of their work to look for efficiencies and quality. They propose or implement revisions. Employees with this overall rating work with co-workers/supervisors and offer assistance to others that contributes to the success of others. Rating any competency or goal at this level means that the employee clearly exceeded the requirements - much more than fulfilling the requirements at an outstanding level - of that competency, or goal.

Exceeded expectations; this year's contribution is clearly identifiable.
Employees with this overall rating correctly complete and exceed the requirements in the majority of areas of their position. Their supervisor and other staff easily recognize the employee's consistent high achievements. Employees with this overall rating work with co-workers/supervisor to assist the high achievements of others, and may seek or take on work from other employees, or perform the tasks of their position, but at a higher level. Rating any competency or goal at this level means that the employee exceeded the requirements of that competency or goal.

Fully met expectations in all key areas; minimal errors of execution or strategy.
Employees with an overall rating correctly complete the requirements of their position. Rating any competency or goal means that the employee completed the requirements of that competency or goal.

Partially met expectations; some substantial errors of execution or strategy.
Employees with this overall rating only partially complete some of the requirements of their position. Others may have to complete a portion of the required work, or portions of the work may go uncompleted or may be incorrect. Rating any single competency or goal at this level means that the employee is expected to perform substantially better in this area. This rating means that when performance was discussed with the employee, he/she took responsibility and initiative and/or shows potential to improve either overall or in a competency or goal.

Did not meet expectations in the majority of areas; repeated errors of execution or strategy. Employees with an overall rating in this area are not completing the requirements of their position and likely others must complete the work or the work is going undone, or is incorrect. This rating also means that the employee lacks the skill-set, ability, or initiative for improvement. Rating any competency or goal at this level means that when performance was repeatedly discussed with the employee, the employee did not take steps to improve or did not improve.

APFC's recruitment program offers an uncomplicated course of action for filling vacant positions; encourages internal applicants; promotes APFC values; reflects a sense of urgency to reduce impact on other employees.

APFC is a State of Alaska entity exempt from the Personnel Act, with no requirement to follow a set recruitment procedure. A vacancy provides a unique opportunity to review the organization's needs outside of the normal budget cycle organizational review process APFC recruitment generally follows the process outlined below. However, the Governor may re-direct the recruitment and hire process of exempt positions at her/his discretion. The Executive Director retains the authority to change the following process.

1. Determine Organization's Need for Position
2. Develop Recruitment Plan
3. Create Recruitment Notices
4. Implement Recruitment Plan
5. Interview Process
6. Final Selection
7. Personnel Action
8. Orientation and training

EMPLOYMENT CATEGORIES

Employment categorizations provide a framework for staff appointments consistent with APFC mission, vision, values and goals. They establish a framework for necessary position types requisite to APFC mission; they create standards for planning and budgeting for APFC position appointments.

APFC is exempt from the State Personnel Act and associated regulation per AS 39.25.110s. APFC must conform to the Executive Budget Act (AS 37.07) which likely means that legislative approval is required for new positions of more than one-year duration.

A position must be established prior to an appointment. Full time, regular appointment categories require prior approval by the Alaska Legislature. APFC may directly establish others. Except for short-term temporary appointments, the Board of Trustees must approve the establishment of all positions (AS 37.13.100).

A position established in one of APFC's categories of appointment refers to the position in APFC organizational structure and to the budget. These terms categorizing position appointments do not alter the APFC "employment-at-will" status. Either the employee or APFC may terminate the employment relationship at any time, for any or no reason.

Categories of Appointment List

- Regular Full-Time
- Regular Part-Time
- Regular Seasonal
- Temporary Long-Term
- Temporary Short-Term
- Emergency
- Intern
- Job Sharing

Categories of Appointment Descriptions

Regular Full-Time Appointments

A regular full-time position must be approved by the legislature through the executive budget process. An employee working in a full-time position is scheduled to work 30 or more hours per week.

Characteristics

- Compensation at salaried rate either hourly or annualized
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- Full PERS accrual
- May participate in Deferred Compensation
- Full health insurance
- Full basic life insurance
- Full leave accrual
- All paid holidays

Regular Part-Time Appointments

A regular part-time position must be approved by the legislature through the executive budget process. An employee working in a part-time position is scheduled to work at least 15 hours but less than 30 hours per week.

Characteristics

- Compensation based on an annualized hourly rate
- May be overtime eligible or ineligible as defined by exempt criteria under FLSA
- SBS eligible (annuities & select benefits)
- PERS accruals are prorated (based on a 1560 hour year) by hours worked
- May participate in Deferred Compensation
- Employee-may elect health insurance by paying half of premium rate or may opt out of coverage
- Employee may elect basic life insurance by paying half of premium rate (if electing health insurance) or may opt out of coverage
- Leave and holiday accruals are prorated based on a 37.5 hour workweek

In-House Intern Appointments

APFC established an intern classification to provide substantive training experience in varied occupations designed to enhance and complement a student's course of study. An internship of 120-calendar days' duration or less shall be treated as a temporary short-term appointment as defined previously. APFC does not provide for internships lasting more than 120 calendar days. Interns are distinguished from other temporary employees because their work is part of an applied academic program. The Executive Director must approve the decision for an internship to exceed one semester.

Special Considerations for Intern Appointments

- To be eligible for participation in the internship program, the candidate must meet the APFC Intern Program qualifications.
- All APFC interns are compensated on an Hourly basis
- Intern positions are Temporary Short Term Appointments and as such are FLSA overtime eligible

Regular Seasonal Appointments

A regular seasonal position must be approved by the legislature through the executive budget process. An employee working in a seasonal position is scheduled to full-time for an assigned period of weeks during the work year. Outside of the assigned period, the employee is placed on "seasonal leave without pay" (SLWOP) status.

Temporary Long-Term Appointments

A temporary long-term position is established by APFC. A temporary long-term employment period exceeds 120 calendar days but cannot exceed 12 months. If 12 months is exceeded, APFC must request a regular position through the executive budget process. The same set of duties cannot be performed by a second long-term temporary appointment after the first expires within a 60 day period.

Temporary Short-Term Appointments

A temporary short-term position is established by APFC. A short-term temporary employment period shall be for 90 calendar days or less but can be extended once for 30 calendar days by APFC. If 120 calendar days are exceeded, the appointment shall be treated as a temporary long-term appointment for specific benefit purposes (health/life insurance, personal leave, and holidays), and such benefits shall be awarded retroactively to the date of appointment unless waived by the employee. Internships are included in this category. The same set of duties cannot be performed by a second temporary short-term appointment after the first expires within a 60-day period. This appointment category provides no paid leave, no paid holidays, or other employee benefits other than hourly compensation and SBS eligibility.

Emergency Appointments

APFC may occasionally appoint emergency/substitute personnel to fill critical and unanticipated vacancies. Such appointments can be made for an employment period of no more than 30 calendar days. If 30 calendar days are exceeded, the appointment shall be treated as a short-term temporary appointment. The same set of duties cannot be performed by a second emergency appointment after the first appointment expires.

INTRODUCTORY PERIOD

APFC provides an introductory time period for new employees to familiarize them to the Corporation and to provide focused orientation on APFC expectations for performing essential duties of the position and to help management determine the capabilities of the employee new to that position. This period stresses open communications, periodic position and performance reviews and an APFC orientation.

Purpose of Introductory Period

The purpose of the "introductory period" is to determine if the new or recently promoted employee is capable of performing all essential duties of the position. This is an opportunity for the supervisor to orient and train the new employee and to focus the employee's efforts toward fulfilling the job responsibilities. In addition to learning job responsibilities and gaining an understanding of APFC mission, goals, and values, the introductory period also emphasizes incorporating new employees into the APFC team environment. In this way, the APFC standard is set, and new employees are prepared to offer support to the next new employee. Disciplinary actions taken during the introductory period follow the Guidelines outlined in the appropriate section of this Guide.

All APFC employees are "at will" employees. This means that employment at APFC is not for a fixed period and does not guarantee any length of employment. Either an employee or APFC may terminate the employment relationship at any time, with or without reason, and with or without notice. Completion of the introductory period is not a guarantee of continued employment.

Length of Introductory Period

In regard to the scope and complexity of positions in the APFC classification system, the lengths of the introductory periods are six months for FLSA Non Exempt positions and one year for FLSA Exempt.

WORK HOURS, OVERTIME AND LEAVE

This guidance is intended to maintain consistent office hours and employee scheduled attendance. APFC recognizes that we are an organization of professionals whose body of work does not always adhere to standard work times and days.

Work Hours and Office Hours

- Official APFC office hours are 8:00 a.m. through 4:30 p.m., Monday through Friday
- The APFC employee standard work week is Monday through Friday
- Most APFC employees work 7.5 hours per day, with an additional one-hour lunch break
- Each employee observes a consistent work and lunch schedule, which may vary from those of other employees and from official office hours
- Supervisors may approve employee requests to temporarily flex from their regular work schedule
- The schedules of employees involved in trading are tied to the capital markets, and breaks including lunch are generally taken on site

Attendance and Absence

- APFC requires daily on-time employee attendance
- Employees must notify their supervisors as soon as possible if they have an unexpected absence or are going to be late for work
- Planned employee absences (leave) require advance supervisory approval
- Paid work conducted at home is allowable under extraordinary circumstances. (See "Work at Home")

Flexible Workday Schedule

- APFC may require or APFC employees may use the option of "flexing" their workday outside the standard APFC office hours with the approval of their supervisor and department head
- The official lunch break is from noon to 1:00 p.m. However, upon supervisor and department head approval, employees may take a lunch break at other scheduled times and may take a lunch break from .5 to 1.5 hours in duration. APFC management considers lunchtime a necessary break and discourages regularly working through lunchtime
- "Flexing" within a workday or for short-term periods is allowed with supervisory approval
- In extraordinary circumstances, paid work conducted at home, is allowable (See "Work at Home")

Overtime

Compensatory (Comp) Time for FLSA Overtime Eligible Employees who are Leave Earning

For APFC employees who are FLSA overtime eligible and leave earning, Compensatory (Comp) Time accrual and usage is the standard compensation for overtime work. Such employees are advised prior to hire of the APFC comp time in lieu of overtime pay understanding.
For these employees:

- Comp time is accrued for any work over 37.5 hours per week
- Comp time is accrued hour for hour for work between 37.5 hours and 40 hours per week, and 1.5 hours for hours worked beyond 40 hours per week
- Overtime requires supervisory pre-authorization. Overtime worked and compensatory time used is reported on the employee's time sheet
- Overtime eligible employees must claim overtime worked, in accordance with the FLSA
- Comp time must be used prior to personal leave
- At separation, an employee's accrued comp time is converted to a cash value

Other employee categories as regards overtime

- Employees in position categories that do not earn leave are not eligible to earn comp time. These employees are paid at the overtime rate only when they work over 40 hours per week
- Comp time is not available for FLSA overtime-exempt employees.

Holidays

APFC recognizes the following 11 State Holidays per AAM 270.020. APFC also recognizes days publicly proclaimed by the US President as a national holiday or by the Alaska governor as a legal holiday. On occasion the SIFA and NYSE Market holidays do not line up with State Holidays. Based on business need, managers of employees work on those days are expected to plan on having appropriate staff in the office to ensure safe and effective operations.

Holiday	***Month***	***Day or Date***
New Year's Day	Jan	1st
MLK Jr.'s Birthday	Jan	3rd Monday
President's Day	Feb	3rd Monday
Seward's Day	Mar	Last Monday
Memorial Day	May	Last Monday
Independence Day	July	4th
Labor Day	Sept	1st Monday
Alaska Day	Oct	18th
Veteran's Day	Nov	11th
Thanksgiving Day	Nov	4th Thursday
Christmas Day	Dec	25th

Work Status on APFC Holidays

APFC is required to follow State of Alaska employee leave and holiday rules. However, some State holidays occur when the financial markets are open and therefore, APFC operations must continue. Because certain employees are directly responsible for these mission-critical operations, they are required to be at work on some State holidays.

Typically, only certain employees in the Investments, Finance and IT Departments are required to work on a State holiday. The head of these departments will determine which staff members must work.

FLSA Overtime Exempt: FLSA Overtime Exempt employees required to work on a State holiday may take another supervisor-approved day off in lieu of their holiday, but within 30 calendar days after having worked the holiday. The holiday must accrue to the employee before taking off a day from work.

FLSA Overtime Eligible: Typically, Fair Labor Standards Act (FLSA) overtime eligible employees will not be required to work on State holidays. However, if an employee is FLSA overtime eligible, and is required to work on a holiday, that employee will be paid for their time worked and will accrue comp time at 1.5 hours per hour worked.

Work at Home

The purpose of this policy is to allow employees to work from their homes if their work can be transferred from the workplace.

Employees may conduct paid work out of their homes for only specific and approved reasons. Work at home is at the discretion of an employee's supervisor and the department head with approval by the Executive Director.

LEAVE

APFC is governed by AS 39.20.200 – 39.20.350 regarding leaves of absence. These statutes outline leave and leave usage requirements. In addition, APFC has the following policies regarding leave:

Administrative Absence from Work

Administrative absence from work allows the Executive Director the option to grant employees absence from work on an individual or corporate level that does not affect the employee's leave balance.

An Administrative Absence is not typically a leave-type that may be requested, but may be offered to an employee by the Executive Director who recognizes a reason to provide them time off from work that does not affect the employee's leave balance. Administrative absences typically do not require a time sheet report.

Short-Term Leave of Absence

APFC recognizes that allowing a short-term absence strengthens employee morale and increases productivity. The goals of this leave type are to provide employees an opportunity for an extended leave/sabbatical of up to three months without loss of position and/or to allow short-term leave to assist employees seeking professional or personal endeavors

- Short-term leave is not granted automatically; APFC needs must be the first priority
- Short term leave is approved by the Executive Director for a period of not more than three months
- Examples of uses for short-term leaves are to finish an academic degree or certification, to complete a professional licensing requirement, mission work, or travel. This list is meant merely as an example; other reasons may be approved
- If the employee terminates during short-term leave, the termination date is retroactive to the first day of leave
- All employee benefits are frozen and accrual ceases while on leave. In accordance with state policy and regulations medical benefits coverage may continue if the employee pays for coverage
- Use of this leave option is without pay. However, with Executive Director approval, accrued personal leave may be used for all or as part of the short-term leave period

APFC encourages staff to conduct themselves in a professional manner at all times, reflecting APFC values in their interactions with others, ever cognizant of their responsibilities to the public as managers of Fund assets.

Professional Codes of Conduct

APFC business operations and its reputation are built upon the principles of fair and ethical conduct of its employees. APFC complies with all applicable laws and regulations and expects employees in all positions to conduct business in accordance with all relevant laws and to refrain from illegal, dishonest, and unethical conduct or practices.

APFC success depends upon Alaskans' trust; we are dedicated to preserving it. Employees have an obligation to APFC and Alaskans to act in a manner that merits continued public trust and confidence in APFC.

APFC expects employees to use their best judgment, based on high ethical principles, as a guide to acceptable conduct. In a situation that is difficult to determine the proper course of action, openly discuss the matter with your immediate supervisor and, if necessary, with the HR Officer for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every APFC employee. Disregard of or failure to comply with this standard of business ethics and conduct could lead to disciplinary action, including immediate termination of employment.

Gifts

Business associates, contractors, vendors, or others doing business, or wishing to do business with APFC, occasionally offer APFC employees gifts, services, or other items. APFC employees are strictly prohibited from accepting gifts that benefit the employee's personal or financial interest if it can be reasonably inferred the gift is intended to influence the employee's action or judgment. APFC employees are strictly prohibited from soliciting gifts. APFC employees must follow AS 39.52.130, and are encouraged to read this statute.

Interpersonal Communications

APFC strives for open, two-way communications among all authority levels. Communications must be professional and respectful so that each employee feels free to express divergent thoughts and concerns. Active communication involves taking responsibility for contributing your ideas respectfully and clearly, and listening carefully to the ideas of others.

APFC expects professional relationships within and outside the Corporation through the use of professional communication.

Hurtful communications, such as malicious gossip, name-calling, slurs, spoken, circulated in hard copy or via an electronic device, are unacceptable and will not be tolerated. An employee using hurtful communication may be disciplined up to and including termination of employment.

Public Communications

APFC employees are sometimes called upon to make public presentations on APFC or other topics. APFC strives for open public communications and has responsibility as a public trust. This responsibility requires us to clearly communicate APFC goals, mission, values, and corporate activities. APFC recognizes the Board Chair, the Executive Director, and Communications Director as the official spokespersons for the organization. Questions about the Corporation from outside sources that require an official response should be directed to these official spokespersons.

Disputes

APFC encourages employees to bring disputes or conflicts with other employees to the attention of their supervisors, the Executive Director, the HR Officer, or to follow the Employee Grievance Procedure included in this Guide, if appropriate. APFC is eager to assist in the resolution of employee disputes.

Dress Code

APFC expects a high degree of professionalism in all aspects of work including dress and grooming that recognizes a diverse workforce.

When representing APFC, employees are required to present a clean and neat appearance. Everyday wear should project a professional image and should be chosen to fit the occasion. The Executive Director or designee reserves the right to define the dress code. Each employee is responsible for following the dress code. Department heads are responsible to ensure the employees they supervise follow the dress code.

Political Activities

APFC employees are in the Exempt Service of the Executive Branch of state government and as such, are exempt from the State Personnel Act (AS 39.25). While APFC encourages employees to exercise their constitutional rights and civic responsibilities in the political process by voting, supporting candidates and issues, and expressing personal views, some basic guidelines and restrictions apply. In addition, a clear separation must be established between state-related functions performed with state resources and private political activities, which cannot be supported with public funds.

APFC employees must follow AS 39.25.160 regarding political activities and AS 39.52, the Alaska Executive Branch Ethics Act. We summarize these legal requirements as follows. However, APFC employees should read the provisions of AS 39.25.160 (see the State of Alaska Division of Personnel Employee Orientation web page) and review the Executive Branch Ethics section (in the State of Alaska Department of Law web site).

- APFC resources – including but not limited to employee time, equipment, information, or supplies – may not be used to finance or influence, directly or indirectly, candidates for political office, ballot propositions, or public issues of a municipal, statewide or national character, or any other political activities, either partisan or nonpartisan, unless specifically appropriated by the Alaska Legislature and signed by the Governor.

- In the performance of official duties, employees responding to politicians, candidates, or the general public about public policy, political issues, or general information concerning APFC or the Fund shall treat all requests equally and impartially.

- Unless authorized by the Executive Director to represent APFC to outside parties, employees shall not purport to the public that they are representing APFC. To prevent misconceptions when making public statements about a political issue or when representing personal opinions, employees must issue a disclaimer stating they are not representing APFC; failure to do so will result in disciplinary action, up to and including termination.

- No APFC employee may display or distribute partisan political material on APFC work premises or while conducting official business.

- No APFC employee may solicit, require, or coerce funds or support for any political activity in the office or while on official business. In the course of performing official duties, an individual may speak in favor of APFC policy issues reflective of APFC values and goals.

- No APFC employee may solicit, require or coerce any employee or subordinate to submit to any interrogation or examination or psychological test which is designed to elicit information concerning political affiliation or philosophy except as directly related to the performance of the employee's official duties.

PROFESSIONAL EDUCATION AND TRAINING

This policy is intended to increase the value and retention of APFC employees

The APFC recognizes that skilled employees bring added value to the workplace, and encourages employee participation in higher and continuing educational pursuits, and education relating to some professional designations. The APFC Employee Training Policy (not included in this Guide) covers details about employee eligibility, types of training eligible for employer-covered costs, and training types that are employee cost reimbursable.

EMPLOYEE DISCIPLINE

This policy is to provide uniform guidelines for employee discipline when that is the chosen option of the supervisor. Employee discipline actions may be used typically for work performance issues when an employee is out of compliance with APFC standards and is not meeting position requirements. Termination of the employment relationship may be the outcome of the employee disciplinary action.

At-Will Employment Status

All APFC employees are "at will" employees. Employment at APFC is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice. Thus, the following disciplinary measures do not guarantee continued employment or entitlement of the discipline process by the employee. There is no requirement that any or all of the described disciplinary procedures be followed in any order, or at all, before termination. Depending on the circumstances, any or all of the disciplinary actions or steps noted below may be omitted at any time. Employees in management positions are all excluded from the disciplinary and the grievance processes.

Employee Discipline

An open disciplinary process is one way in which APFC strives to attain its goal of enhancing the best work performance of employees and supervisors. Supervisors should immediately (or as soon as practicable) address employee problems in order to minimize misunderstandings. APFC encourages employees to inform their supervisors of challenges or obstacles that impede deadlines, expectations, or other work-related concerns. APFC encourages supervisors to maintain ongoing contact with employees under their supervision to better assist them in allocating time, energy and resources towards the highest priority projects, and to help minimize the need for disciplinary action. APFC expects employees to be responsible for their own actions and to maintain standards of performance and behavior that reflect APFC's status as a premier organization.

There are many standards upon which an employee's performance and behavior are guided. APFC mission and value statements, PMP policies, job descriptions, class specs, performance objectives and measures, and ethics and disclosure policies are some of the standards to which supervisors determine desired conduct. These standards aid supervisors in determining misconduct that warrants disciplinary actions. When an employee's work performance or behavior on the job becomes inconsistent with APFC standards, APFC reserves the right to take action necessary to resolve the problem.

Disciplinary Procedure

Supervisor Assesses When to Use Disciplinary Action

Ongoing, two-way communication between supervisors and employees often mitigates the need for disciplinary actions. Under certain circumstances, formal corrective disciplinary action may be appropriate. An incomplete list of possible disciplinary actions follows, to serve as examples. Dependent upon the severity of the offense, these actions may occur at

any time and in any order. Depending on the circumstances, any or all of the disciplinary measures may be omitted at any time, and termination of employment may be the first option. Employment at APFC is "at will," and there is neither a requirement nor a prescribed order to follow any or all of the described disciplinary procedures prior to termination.

Possible Disciplinary Options

The actions that follow are examples of disciplinary actions. Additional disciplinary actions or immediate termination may be taken as APFC determines.

Verbal Warning

The supervisor informs the employee of the work-related problem, poor performance, offense, breach of policy, breach of standards of conduct, etc. The two discuss the problem, and the supervisor advises the employee of the necessary corrective measures and provides a timeline for completion of the corrections. The reasons for the verbal warning and any required follow-up are documented in a memo, signed by the employee and supervisor both sign and retained in the supervisor's working file. Verbal warning documents are not placed in an employee's permanent personnel file unless a related offense is committed or the problem recurs and warrants further disciplinary action.

Written Warning

At the supervisor's discretion, an initial offense may warrant a written warning to the employee. The written warning summarizes previous warnings of a similar nature, the nature of the current problem, the method and actions necessary to correct the problem, a reasonable time period within which the problem must be corrected, and the outcome (termination, demotion, etc.) should the employee prove unable or unwilling to correct the problem. The written warning requires a review by the HR Officer, the department head, and the Executive Director before its delivery to the employee. After management review, the supervisor (and the HR Officer, if desired) meets with the employee to discuss the written warning. The warning memo must be dated and signed by both supervisor and employee to verify that the supervisor informed the employee of the work-related problem and that the employee understands the issues and recommendations for correction. The employee is provided a copy, and HR retains the original for the employee's permanent personnel file.

Recommendation for Suspension/Termination

If the problem has not been corrected within the period specified in the written warning or if within 60 days after completion of the specified period, the employee commits a similar offense, further disciplinary action up to and including termination of employment may be recommended. At the supervisor's discretion, immediate termination without verbal or written warning may be recommended. The termination recommendation must be in writing that includes a supervisory summary outlining the reasons for dismissal and an outline of actions, if any, already taken to correct the problem. The department head must review the recommendation before it is forwarded to both the HR Officer and the Executive Director for approval.

Suspension

Department heads and the Executive Director have the authority to suspend employees. Other supervisors may suspend employees under their supervision, but typically suspension results from consultation with a department head or the Executive Director. However, if immediate action is necessary, at their discretion, supervisors may suspend an employee.

Termination

Only the Executive Director has the authority to terminate an employee. In accordance with the "exempt" and the "employment at will" status of all APFC employees, the Executive Director has the right to discharge an employee at any time, with or without reason or notice regardless of whether or not disciplinary (corrective) action has been taken.

Supervisor Authority to Impose Disciplinary Action

For purposes of disciplinary action, the employee's direct supervisor per the organizational chart is the individual who supervises the day-to-day work of the employee and provides direction regarding work projects. The employee may occasionally work on projects or perform regularly assigned duties for a coworker who is not the employee's supervisor. However, no one other than the supervisor, the department head, or the Executive Director is authorized to impose disciplinary action on employees.

Disciplinary Actions and Performance Appraisals

If an employee's regularly scheduled annual performance appraisal date falls within the period for complying with corrective measures specified in a disciplinary action, the appraisal proceeds as scheduled. In such an instance, the supervisor judges the severity of the problem, while also considering the employee's yearlong conduct and performance, including the problem's effect on job performance. The supervisor may recommend a salary adjustment commensurate with performance, regardless of the employee's current disciplinary action status. The fact that an employee is under disciplinary action must be noted in the performance evaluation.

First-time Discharge Offenses

Certain types of employee behavior are serious enough to warrant immediate termination of employment without benefit of the corrective disciplinary steps. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace and warrant immediate termination, however, this list provides broad examples:

- Theft
- Violence
- Dishonesty; i.e., falsification of a major record
- Possession, distribution, sale, transfer of illegal drugs, or substance abuse in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Sexual or other unlawful harassment or discrimination
- Possession of dangerous or unauthorized materials, such as explosives or firearms in the workplace
- Unauthorized disclosure of confidential business information
- Gross negligence in the performance of duties

Employment with APFC is "at will," and either party may terminate the work relationship at any time, with or without reason or advance notice.

GRIEVANCE PROCEDURE

The goals of this policy are to resolve employment complaints at lowest possible level within APFC before more serious problems develop; to provide a channel for APFC employees to voice employment concerns or complaints in an appropriate manner; and to provide a grievance procedure that employees may use without fear of reprisal.

Grievance Defined

In this Guide, grievance means an employee's expressed feeling of dissatisfaction with aspects of working conditions, environment, relationships with supervisors and other employees, a disciplinary action, and the official manner of execution of the personnel policies established or interpreted by the Executive Director.

Employee Complaints and the Formal Grievance Process

The existence of the Employee Complaint and Grievance Process does not alter APFC's "at will" status. Successful completion of the process does not guarantee continued employment. Employees in management positions and other positions which the Executive Director may designate from time to time are all excluded from the disciplinary and the grievance processes.

Employee Complaints

Misunderstandings and conflicts are often best addressed directly between the parties involved before more serious problems develop. APFC encourages ongoing, two-way communication between coworkers, employees, and supervisors to alleviate misunderstandings and conflict. APFC provides employees the opportunity for training in respectful workplace, interpersonal skills and related topics as one of several ways it demonstrates commitment to employees and value for communication.

When direct communication with the involved party does not resolve an employee's employment-related concern, or if direct communication is not appropriate, the next step involves taking the complaint to the next authority level within the department. APFC strongly advocates personal responsibility in all aspects of work roles and at all authority levels. Therefore, in most instances the supervisor or department head may provide guidance for complaint resolution rather than directly managing the process, unless he/she determines that direct involvement is the most appropriate method for resolution. If necessary, the supervisor, department head, or HR Officer may mediate a discussion between the involved parties. If the employee is unable to resolve the complaint after a mediated discussion, the mediator may recommend a peer review. However, the supervisor or department head may recommend a peer review without a mediated discussion.

Peer Review Committee

If appropriate, a peer review committee may be used to assist in employee complaint resolution. The authority of the peer review committee is advisory. The purpose of the committee is to help resolve employee complaints at the lowest level possible.

Each department solicits volunteers for a primary and an alternate committee member. However, only three employees from other departments serve on the active peer review committee, which typically comprises only the committee members from the uninvolved department(s).

Grievance Filing Procedures

Eligible employees who have a grievance related to their position, working conditions, or employment over which the Executive Director may lawfully exercise discretion, may file a grievance as follows:

1. The employee discusses the grievance with his/her supervisor.

2. If the employee is dissatisfied with the outcome of the discussion, the employee may file a written complaint to his/her supervisor (and a copy to the HR Officer) as soon as possible to retain accuracy of detail, but no later than ten (10) days from the incident causing concern. If the grievance involves the employee's supervisor, an alternate channel is the department head. If the grievance involves the department head, an alternate channel is the HR Officer. The written grievance must include:

- Name, title, signature of the author, and date
- Full description of the complaint, including full names and direct quotes, if applicable, date(s) and time(s) of incident(s), names of witnesses, if any, location(s) of incident(s)
- Desired outcome to relieve the grievance
- Attachment of related documents

3. The supervisor receiving the grievance must respond in writing within five working days of receipt of the grievance. A complete investigation within a five-day period may not be possible due to many factors such as witness travel, records search etc. Therefore, within the five-day period, the responding management staff provides a status report on the investigation phase and provides an expected completion date. The response includes:

- Name, title, signature of the author, and date
- Summary of the grievance
- Steps taken to investigate the grievance
- Findings of the investigation
- Recommended resolution

Appeal Process

1. If the aggrieving employee is dissatisfied with the written response, the decision may be appealed in writing to the next level of authority.
    i. The written appeal must be made within five workdays of receipt of the response and must be attached to the original grievance and the APFC management response, and must include the reasons for the employee's appeal.

2. If the grievance:
    i. first went to the employee's supervisor, the appeal is to the department head
    ii. was filed with the department head, the appeal is to the HR Officer
    iii. was filed with the HR Officer, the appeal is to the Executive Director

3. The final appeal may be filed with the Executive Director who has the authority to offer final determination for resolution.

4. Each level of appeal has five days to respond in writing to the aggrieved party. If no written appeal is made within this time frame, APFC considers the matter resolved to the employee's satisfaction.

Filing a Complaint of Sexual Harassment or Unlawful Harassment or Discrimination

APFC follows Alaska Administrative Order No. 81 regarding the State's policy on discriminatory harassment. Employees believing they have been subjected to sexual harassment or other forms of discriminatory harassment should contact either their supervisor, department head, the HR Officer for immediate assistance in the grievance process.

Unlawful Harassment Prevention

APFC commits to providing a work environment free from unlawful discrimination and harassment. Therefore, APFC observes a "Zero Tolerance" policy of unlawful discrimination and harassment.

Employee Protection

Employees covered by these procedures may seek resolution to their grievances without fear of constraint, interference, or reprisal.

EMPLOYEE SEPARATION FROM APFC EMPLOYMENT

The goal of this policy is to aid in developing an individual separation plan that helps ensure uninterrupted workflow, work product integrity, and completion of all necessary employee separation documentation.

APFC employees are "at will" employees. APFC employment is not for a fixed period. Either an employee or APFC may terminate the employment relationship at any time, with or without cause or notice.

Types of Separation

Layoff due to Reduction in Force

Separation initiated by APFC for management reasons outside an employee's control and not relating to an employee's service or performance; e.g., abolition of position, shortage of work, budgetary constraints, etc.

Dismissal or Discharge

Involuntary employment termination initiated by APFC

Resignation

Voluntary employment termination initiated by the employee

Presumed Resignation

Unauthorized absence from work for a period of five consecutive working days may be considered an abandonment of duties and a presumed resignation

Retirement

Voluntary employment termination for eligible staff that meet the specific provisions for retirement eligibility as governed by the State of Alaska Public Employees Retirement System and as administered by the Division of Retirement and Benefits.

Separation Process

Many APFC employees have access to sensitive information, resources, systems, or have significant decision-making authority affecting the Fund. In order to safeguard APFC and the employee, the employee's supervisor is responsible for completing a checklist of items upon receipt of the employee's notice of intent to separate. The exact events and their timing are determined on a case by case basis by circumstances of the departure. In all cases however, both the HR Manager and Executive Director require immediate notification of an employee's intent to separate.

Steps of the Separation Process:

- Remove the employee from normal job duties and access to sensitive areas
- Review the employee's job duties and specifically authorize level of access the employee is to retain, up to and including normal working access
- Review possibility of immediate departure
- Executive Director may authorize severance pay
- Review whether to grant severance pay as determined by the Executive Director
- Provide the employee a copy of the written exit interview questionnaire
- Conduct a face-to-face exit interview with the supervisor, department head, Executive Director and/or HR Officer
- Conduct an employee performance appraisal if the last appraisal was effective six or more months prior. The appraisal period covers the date of the last appraisal to the present
- Provide the employee with a copy of the Reference Authorization Form for his/her signature to keep in the employee's file. Signing the form is optional
- Provide the employee with the link to the State of Alaska "PX/EX Separating" website

Resignation Notice

All APFC employees are "at will" and may resign their employment at any time for any or no reason. As a courtesy from the employee, APFC will ordinarily expect at least two weeks advance notice from employees resigning from a position designated from support positions and least four weeks advance notice from employees resigning from all other positions. To the extent permitted by circumstances and available funding, APFC will provide notice of layoffs due to reorganization or budgetary reasons with at least four weeks advance notice or with as much advance notice as feasible.

Immediate Acceptance of Resignation

If an employee provides APFC with notice of resignation and requests, or states, a future effective date, the Executive Director may determine that an immediate departure is appropriate and elect to accept the resignation effective immediately.

Salary and benefits

Regardless of when an employee's salary terminates, the employee's benefits (medical, retirement, paid leave accrual, etc.) are based on the last day actually worked.

Severance Pay

The Executive Director may recommend severance pay to employees involuntarily separated from APFC. All APFC employees are "at will" and may be discharged at any time, for any reason, without notice. APFC has no obligation to provide severance pay to any employee or group of employees. APFC guarantees no length of employment.

Exit Interviews

APFC requests all departing employees to participate in an exit interview, or when that is not possible, to complete an exit interview form. The exit interview is designed to provide employees an opportunity to relay their job-related experiences. APFC strives to elicit honest and candid responses and may use the interview data as suggestions for improvements. Whenever possible, supervisors provide the form to the employee at least two weeks before his/her exit date. The exit interview form may be completed during regular office hours. If departure occurs without warning, the employee may be requested to complete and return the exit interview form on his/her own time. The exit interview form is used as a

Guideline for the departure interview with the supervisor, department head, HR Officer or the Executive Director. Ideally, it should be completed before the departing employee's final day on the job.

Separation Performance Appraisal

If/when a departing employee provides separation notice, the supervisor will ordinarily complete a Separation Performance Appraisal if the last performance appraisal occurred longer than six months before their last day of employment. If the exiting employee's supervisor decides a Separation Performance Appraisal is unnecessary, the Executive Director must approve that decision.

The written appraisal requires review by the Executive Director or, in his/her absence, by the HR Officer before the supervisor meets with the departing employee. When signed, the original is retained in the employee's personnel file. The Separation Performance Appraisal is the basis upon which APFC makes future re-hire decisions and employment references.

Reference Authorization Form

At departure, APFC provides a Reference Authorization Form to the employee that authorizes release of his/her personnel record information. Except for information ordinarily available to the public, the APFC will not release any information about the employee's work performance unless APFC has a signed employee release authorization form. It is advisable that ex-employees make a separate written request for release of reference information every time they require information to be released.

Letters of Recommendation

Occasionally, departing employees request letters of recommendation from their supervisors or the Corporation. All letters of recommendation require review from the HR Officer. At the employee's specific written authorization, additional documents may be attached to a recommendation letter from APFC including copies of performance appraisals and job description(s) and/or class specification(s).

Employment References

All requests for employment references for ex-employees are routed to the HR Officer. Through a signed Reference Authorization Form the separating employee authorizes a release of information, and either the supervisor or HR Officer provides the requested employment information. The primary source of information for reference checks comes from the Separation Performance Appraisal.

Use of Personal Leave during Notice Period

APFC limits the use of leave time during the notice period. Leave approval must follow the normal leave request process. The Executive Director must approve any exception to this policy.

PERSONNEL RECORDS

The goals of this policy are to prescribe procedures that help ensure the maintenance of accurate, timely, secure and complete personnel records and; to inform employees and applicants which records are maintained and where they are stored.

Personnel Records

Personnel records are documents relating to an individual's employment, the purpose of which is to accurately record employment histories for every APFC employee. APFC is required to follow the State of Alaska Records Retention Schedule and Guidelines regarding personnel records.

File Locations

Central Personnel File/s

Official hard copy personnel record usually includes employment application/resume and salary & benefit records, normally located in three central files, at: 1) the Department of Revenue, Division of Personnel, 2) Department of Administration, Division of Retirement and Benefits, and 3) APFC HR Offices. Only the APFC personnel file and online secure software contains performance appraisal documents. APFC also keep files on site of personal investment and other disclosure reporting documents.

Departmental Personnel File/s

APFC employees involved in an employee's hire/termination (immediate supervisor, oversight department head, or the Executive Director) may establish/maintain a department personnel file for that individual.

Confidentiality and Access to Personnel Files

The APFC HR Officer maintains hard copy APFC personnel records. These records are confidential to the extent they include an analysis, evaluation, or critique of an employee's performance. Access to these records is ordinarily limited to the employee, the supervisor, the department head, and the Executive Director. With advance notice, employees may review their own personnel files in the presence of the HR Officer (or the custodian of the department personnel file). Employees may receive copies of any documents in their personnel files with a written request. Employees have the opportunity to include their written comments about each document in their personnel files if the written comments are provided within two weeks of the originating document's completion or within two weeks of reading the file. Employees may not change or remove documents in their file. Employees may access their performance evaluations at any time through logging into APFC's secure online performance evaluation software system.

Employee Complaint Procedure re: Personnel Files

If an employee disagrees with anything in his/her personnel file, in addition to speaking with the HR Officer and writing a note for the file, the employee may also appeal to that employee's supervisor. If necessary, the employee may appeal to the head of his/her department. The final appeal authority is the Executive Director.

Release of Information from Personnel File

Ordinarily, personal information will not be released from a personnel file over the objection of the employee. An employee may provide a written authorization that allows APFC to release information from the file.

Recruitment Files

Position Recruitment Documents (typically resumes, applications and interview records) are maintained separately in a position search file. APFC follows protocol for maintaining the search file in accordance with the state records retention schedule.

MISCELLANEOUS POLICIES

APFC has additional miscellaneous polices intended to: provide a safe, secure, healthful work environment for employees, customers, vendors, and visitors. Ensure critical operational functions are maintained during an emergency. Ensure the professional appearance of APFC public and shared areas. Assign appropriate accountability and a sense of ownership in all staff. Encourage recycling and waste management in everyday business practices. Enhance the spirit of community, both inside and outside of APFC

General Office Safety

The APFC safety program addresses what to do in the event of a fire, bomb threat, earthquake, medical emergency, and other types of emergency situations. Certain employees are designated as safety officers. (See APFC Emergency Procedures Handbook)

Medical Emergencies

When a medical emergency occurs, direct another employee or individual to call 9-911, for the Juneau Fire Department paramedics. The caller advises the paramedics of the nature and location of the emergency while assisting as necessary with the emergency. APFC schedules CPR certification training periodically for all interested staff. First Aid Kits are kept in the mailroom and break room.

Fire, Fire Drills and Evacuation

In case of a fire, call 9-911 and pull the fire alarm. Alert the Safety Officers and direct others to assist in the effort. If feasible, use a fire extinguisher to put the fire out only if others are calling 9-911 and helping to sound the fire alarm to evacuate the building.

All individuals within the office are required to immediately evacuate the building when the alarm sounds or when there is evidence of fire in the building according to the APFC Emergency Procedures Handbook.

Staff should always inform the receptionist when leaving the office to ensure at least one person at APFC is informed about employees' whereabouts. In case of fire, the receptionist (or Administration staff member) informs authorities of the estimated employee headcount. If you are not in the parking lot and the receptionist is uninformed of your whereabouts, we presume that you are still in the building.

Workplace Safety Hazards

The Administrative Specialist is the building liaison for ongoing maintenance issues and coordinates an internal safety evaluation to identify and correct potential safety hazards. The HR Officer ensures work areas meet ADA accessibility codes.

Bomb Threat Response Plan

In general, APFC will telephone the Juneau Police Department to report the threat and will follow safety recommendations including assisting with searching the building, securing IT operations, and evacuating the building.

Personal Safety while in Travel Status

- The APFC Travel Officer recommends, schedules or provides periodic personal safety training
- Consult with the Travel Officer and/or supervisor regarding questions about personal safety while on travel status
- Your hotel front desk or security personnel may address hotel safety concerns

Visitors in the Workplace

The APFC reception area is the designated entrance for all visitors. The receptionist will alert employees that a visitor has arrived and will request the employee to escort the authorized visitor, or the receptionist will escort the visitor to the appropriate location. Visitors authorized by staff must be escorted on site to provide for the safety and security of employees and facilities. Employees are responsible for the conduct and safety of their visitors here by invitation. Employees may request assistance from management if their visitor becomes unruly, disruptive, or violent. If an employee observes an unauthorized individual in the office, the employee should inquire whether the individual needs assistance and to escort them to the reception area.

Workplace Violence Prevention

APFC has "Zero Tolerance" for violence in the workplace. A safe and secure work environment is of utmost importance. All employees, visitors, vendors, contractors, and business associates are always to be treated with courtesy and respect. Employees are expected to refrain from fighting, "horseplay," or other misconduct that may be dangerous to others.

In the case of threats or actual violence committed at the APFC work site, or against an APFC employee offsite, outside authorities may be called to intervene and investigate. This policy applies to employees and non-employees. Any APFC employee threatened with violence or who has a violent act committed against him/her while at the APFC office, or while representing APFC offsite, must report the incident to the supervisor or any APFC department head as soon as possible. Your report of violence, threats of violence, or suspicions of violence is the first step in halting further occurrences. Retaliation against an employee for making a good faith report is forbidden.

Weapons

APFC prohibits weapons of any kind at the workplace. APFC employees who bring weapons to the workplace – even if they have permits to carry a concealed weapon – are subject to employee discipline, up to and including immediate employment termination.

Building Security

- The Michael J. Burns Building management contracts with a local firm for building security. Contact APFC Administration or management staff to report security or safety-related problems or concerns regarding the building or APFC offices
- Inform your supervisor, the receptionist and others whom you trust if you will be working after normal office hours so that others know you are in the building
- Use the elevator to enter or exit the APFC floor if you are working beyond posted work hours
- Your key fob opens doors to both the building and APFC office suites during non-business hours
- Do not prop the office suite door open, even if you are in the office
- Shut the main office suite door behind you to ensure security of the office in your absence when exiting the office suites for any length of time

- Park your car in the well-lit areas of the parking lot
- Be aware of individuals near the building entrance when entering or exiting after hours
- Do not enter or exit the building if you are concerned for your safety
- Do not prop the building exterior doors open for any reason
- If you are concerned for your safety after hours and are in the office alone, call the Juneau Police to check building security or to escort you to your car. If two or more employees are working after hours, ask your coworker to escort you to your car or leave together
- Locks to all APFC doors are monitored by Administration
- At hire and when necessary, key fobs are issued to employees and are collected at separation
- Immediately report a lost key fob to Administration to guard against unauthorized access

Emergency Office Closing

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. Extreme circumstances may require APFC to close the office.

In the event of an emergency that affects all State of Alaska employees in Juneau or statewide during work or nonworking hours, APFC follows the Executive Branch's announcement. Upon hearing the broadcast, APFC employees require no further verification from APFC management about office closure.

A separate emergency closing process is required for investment-related responsibilities in conjunction with management and appropriate IT staff. Investment staff may be required to work in another location at the direction of the Executive Director or the Chief Investment Officer or a designee. If appropriate, employees may need to follow the Business Continuity Plan.

If an emergency occurs and affects only APFC employees or Michael J. Burns Building workers and the APFC office must be closed, APFC will observe the following procedures:

- The Executive Director, HR Officer, or any other department head in the absence of these two, announces the APFC office closure
- APFC follows procedures required by the Executive Branch emergency closure announcement

If an emergency closure is called either through an order of the Executive Branch or through APFC management, employees are compensated in accordance with State rules and regulations regarding such events. In cases where an emergency office closure is not authorized, employees who fail to report for work will be required to submit a leave slip.

APFC Technology

Workplace Monitoring

To ensure quality control, employee safety and security, APFC management may conduct workplace monitoring. APFC is responsible for all employee workstations. Your use of the station and the equipment is as an employee and not owner. All resources furnished to employees are APFC property. APFC is obliged to ensure that equipment and employee time are used for business purposes. Therefore, computer use and files may be monitored or accessed and other equipment use justified to APFC satisfaction. APFC makes every effort to conduct workplace monitoring ethically and respectfully. Through the practice of this policy, APFC disallows any expectation of employee privacy of workstations, email, electronic and hard copy files.

Computer Rooms/Access to Network

- IT Staff ensure computer rooms are secured at all times
- IT Staff update the electronic systems security periodically and review security to ensure only authorized staff members have access. IT staff immediately relay systems security concerns to APFC management. IT staff remain current in security technology to apply necessary upgrades
- All employees are required to follow IT staff recommendations regarding systems security

Employee Responsibilities for APFC Technology

- Follow IT staff instructions for the safe use of computer networks
- Follow all applicable laws regarding use of digital devices while driving. The same policy applies for avoiding other driving distractions
- Keep technology devices that are under your care within your control
- Safeguard data integrity through the use of strong passwords
- Follow IT staff recommendations regarding care in opening email attachments and Internet downloads to keep computer systems secure and virus-free
- Learn to correctly use the technology in your care to safeguard against damage and privacy breaches
- Bring questions about the use of APFC technology resources to APFC IT staff

Employee Personal Use of APFC Resources

APFC'S mission is accomplished through efficient use of time and resources. To that end, APFC provides employees with the technology and resources necessary to perform their jobs and requests employees to make the best use of the resources provided. APFC requires legitimate business use of employee time and resources. APFC is governed by the Alaska Executive Branch Ethics Act, AS 39.52 and by the State Policy on Employee Use of State Technology. Employees must acknowledge the Employee Use Policy in writing.

Office Resources

Lobby, Conference rooms, Break room, Mailroom

- All staff share responsibility for the upkeep of APFC shared areas. A tidy and presentable appearance is necessary to represent APFC as a professional organization. All areas should be left in the same or better condition than you found it.
- Administration will periodically coordinate team-cleaning efforts
- Coffee and food service items from individual staff, meetings or guests are the responsibility of the individual or departmental staff hosting the meeting

Coffee/Tea Fund

The employee break room and coffee equipment and supplies are 100% APFC employee-funded. Administration collects user fees and maintains a staff coffee fund.

Break Room

The break room is for employees needing a break from job duties and a place to prepare and eat food. Break room upkeep operates on the honor system: If you mess it up, clean it; if you empty it, replenish it; if you take it out, put it back. Employee donations operate this room since no APFC funds may be used.

Storage Room Supplies

The storage room contains bulk office supplies or occasional-use items. Access to this room is limited and is not suitable for storing records, even temporarily. Administration oversees layout, content, security, and quarterly cleanups by staff using the room

Board Room and Conference Rooms

Users are responsible to ensure the room is returned to the same order in which it was found.

Community Volunteer Involvement

APFC supports employee involvement in the community through volunteer efforts and encourages employee time contributions to community service organizations

Waste Reduction and Recycling

APFC complies with state statutes requiring and encourages recycling.

Smoking

APFC abides by AS 18.35.300-18.35.365 and CBJ laws regarding smoking. Smoking, which includes E-Cigarettes, is prohibited in the Michael J. Burns Building complex and within 10 feet of the building exterior except in a designated covered smoking shed. This policy applies to all employees, customers, and visitors.

Solicitation

Employees may not solicit business, interest, recognition, or distribute literature or promotional items concerning non-work activities during working time. Working time does not include lunch periods or other periods in which employees are not on duty. For more information see the State Employees Ethics Handbook.

18.35.100 - 18.33.365 Regulation of Smoking in Public Facilities

AS 37.07 Executive Budget Act

It may be construed from AS 37.07 that the legislature must approve all new positions of more than one-year duration.

AS 37.13.100 Alaska Permanent Fund Corporation / Staff

Provides that the Executive Director may, with board approval, select and employ additional staff as necessary.

AS 39.20.110-350 Compensation, Allowances and Leave

Provides that State travel and leave rules apply to APFC

AS 39.25.110(11)(B) State Personnel Act / Exempt Service

Exempts APFC from the State Personnel Act AS 39.25, thereby authorizing APFC to design and implement rules and a salary program that provides a framework for salary, hiring and related personnel decisions.

AS 39.25.160 State Personnel Act

Prohibitions Generally: Includes exempt service in subsection regarding political activities and other topics

AS 39.52 Executive Branch Ethics Act

Addresses: Outside Employment Restrictions, Gifts, and other topics

APFC Bylaws Article II, Section 4

Provides that the Executive Director shall provide for execution of all corporate operational and administrative functions.

Article II, Section 8

Provides that the Executive Director shall employ personnel s/he deems necessary to exercise her/his powers, duties and functions under AS 37.13; determine employee compensation; and that those decisions shall be made within APFC budget limitations as approved by the Board and in compliance with policies established by the Board.

Administrative Order 81 Regarding unlawful harassment

Employees are required to acknowledge receipt of the Employee Guide and the "at will" status of employment, through signing this page.

The Personnel Management Program (PMP) Employee Guide describes important information about APFC, employment policies, employee benefits, and employee and employer obligations. I understand that I should contact and request clarification from my supervisor, the HR Officer or the Executive Director regarding any questions not answered in the Guide.

I have entered into my employment relationship with APFC voluntarily and acknowledge there is no specified length of employment. Employment is considered "Employment-At-Will." Accordingly, either APFC or I can terminate the employment relationship "at will," with or without reason, at any time.

Since the information, policies, and benefits described here are necessarily subject to change, I understand there may be revisions to the Guide. If changes are made, they will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the APFC Executive Director has the ability to authorize revisions to the policies in this Guide.

Employee Acknowledgment

Through my signature below, I acknowledge that I have received the APFC PMP Employee Guide, and I accept responsibility to read, understand, and comply with the policies and revisions of the Guide.

Employee Name ______________________________ Title: ____________________

Employee Signature: ______________________________ Date: ____________________

Chad A. Brown: ______________________________ Date: ____________________

HUMAN RESOURCES MANAGER & ETHICS OFFICER

Executive Session: Executive Director Performance Evaluation Memo

SUBJECT: Executive Director Annual Performance Evaluation for 2017

ACTION: X

DATE: 12/12/2017

INFORMATION: _________

BACKGROUND

The Executive Director Performance Evaluation Policy, as outlined in the APFC Governance Manual, states that the Board of Trustees is responsible for reviewing the Executive Director's performance on an annual basis. The objectives of this policy are "(a) to ensure that the Executive Director receives appropriate and useful feedback on their performance from the Board on a regular basis; and (b) to help develop clear and meaningful performance objectives for the Executive Director."

STATUS

Ms. Rodell's performance review period covers from October 2016 to November 2017. This topic is a personnel matter, subsequent discussion will be held in Executive Session.